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COMMITTEE ON GOVERNMENT, MILITARY AND VETERANS AFFAIRS
January 26, 2005
LB 217, 55, 58, 167, 214

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Wednesday, January 26, 2005, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB 217, LB 55, LB 58, LB 167, and LB 214. Senators present: DiAnna Schimek, Chairperson; Pam Brown, Vice Chairperson; Deb Fischer; Chris Langemeier; Mick Mines; Rich Pahls; and Roger Wehrbein. Senators absent: Carroll Burling.

SENATOR SCHIMEK: Good afternoon, ladies and gentlemen, and welcome to the hearings of the Government, Military and Veterans Affairs Committee. We're happy to have you with us today. Before we get started I would like to introduce the members of the committee who are here. We have one committee member ill today and a second one who will be late and a third one who just walked in the door. So I'll start over on my left with Senator Deb Fischer of Valentine; next to her is Senator Chris Langemeier of Schuyler, and this is actually his first meeting with the committee so we're happy to have you; next to Senator Langemeier is Senator Mick Mines of Blair; next to him is Senator Roger Wehrbein of Plattsmouth; and on my left is Sherry Shaffer who is the committee clerk; oh, for the record I'm DiAnna Schimek, I chair the committee, I'm from Lincoln; to my right is Christy Abraham who is the legal counsel for the committee; and then clear over sitting all by himself for no particular reason is Senator Rich Pahls of Omaha. We are going to hear the bills in the order in which they were posted on the door which is LB 217, LB 55, LB 58, LB 167, and LB 214. Now, when you come to the microphone...well, first of all we'll take the opening statements, then we'll take proponents of the bill, and then opponents, and then those who wish to testify in a neutral capacity. And if you come up here to testify, please make sure that you filled out one of these forms that are available at the door that says for testifiers only so that that saves time when you come up to testify. Please introduce yourself and speak clearly and spell your name, and that's for the transcribers. In addition to that, we would if you have any kind of a statement that's prepared that you would like to have us distribute to the committee, we can do that. If it needs to be copied, we can do that as well. I think I should introduce our page who is Victoria Centorino and she is from

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UNL, from Fort Lauderdale, Florida. And the other thing, I think you need your cell phones...if you've got them, turn them off, please. With that we will open with the first bill on the agenda which is Senator Flood's bill, LB 217.

LB 217

SENATOR FLOOD: Thank you, Senator Schimek, members of the committee. For the record, my name is Mike Flood, spelled F-l-o-o-d, and I represent the 19th Legislative District, and it's my pleasure to present LB 217. More often than not, political subdivisions in this state prepare for years to update facilities and enhance services to citizens. This bill will do two things to ease this process. First and foremost, it will encourage colocation and cooperation between political subdivisions. In Norfolk, like many communities in Nebraska, our public buildings continue to age, and as technology improves, structural integrity and economic efficiencies continue to erode. This bill will allow two or more political subdivisions to issue bonds to finance joint projects which may be serviced by property taxes regardless of other statutory restrictions on the issuance of debt. This bill was introduced last year and it should be noted it was unanimously approved by this committee. Unfortunately, the Legislature ran out of time to consider the bill on General File. Joint projects would include a newly constructed building, recreational facilities and related improvements, flood control improvements, stormwater drainage improvements, and street and road construction improvements. A joint construction project under this bill would allow two or more political subdivisions to build a building or one of the projects I just described, up to \$5 million. An example of a joint project would be an administration building jointly funded by a city and a school district. Such a partnership not only addresses the consolidation of services to make it easier for the citizen, it allows political subdivisions in this state to reduce their joint cost, and most importantly in my opinion, fosters communication between governmental units. This bill limits joint construction projects to \$5 million, as I said. As we all know, that does not build the Taj Mahal; nothing elaborate. Yet it will allow communities across the state to enhance public facilities

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for the benefit of our citizens. Secondly, this bill addresses the needs of information technology in libraries across Nebraska. Walk into any library across the state that offers Internet and/or computer-based services and you will find a small crowd, if not even a line, waiting to use a computer. LB 217 will allow for the issuance of bonds on joint projects in publicly owned libraries across Nebraska not to exceed \$250,000 for cities at the metropolitan or primary class; not to exceed \$100,000 for counties, cities of the first class, school districts, ESUs and community colleges; and not to exceed \$50,000 for cities of the second class and villages. Under the bonding terms of LB 217, both public construction and information technology, a public vote would not be required. However, the citizens or patrons of a particular political subdivision would be entitled to learn more about any proposed joint project at a public townhall meeting and would be able to stop any proposed joint project if 15 percent or more of the voters in any one of these political subdivisions signed a petition against the project within 30 days after notice in the newspaper. It is my intention to make LB 217 a true joint project requiring more than one political subdivision. Therefore, I've incorporated the amendment suggested last year by Senator Smith. The second largest party participating as a joint partner under this act would be responsible for not less than 25 percent of the entire debt service. Senators, I'm introducing this bill to make it easier for political subdivisions in this state to address funding deficiencies for public building projects and the information technology need of libraries across our state. I would ask each of you to consider this bill's value to your district and I would ask for your support. I'd also be happy to answer any questions.

SENATOR SCHIMEK: Thank you, Senator Flood. Are there questions?

SENATOR FLOOD: And it should be noted, this is my first time so it's my understanding that questions are all easy.

SENATOR SCHIMEK: Well, I'll ask you one.

SENATOR FLOOD: Okay.

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SENATOR SCHIMEK: What does this bill mean by flood control?

SENATOR FLOOD: It's not any limitation on my own abilities, hopefully. I should mention there was a technical defect in the bill, and subsequent folks that will testify will tell you of a minor amendment that I approve of.

SENATOR SCHIMEK: Okay. Are there questions? Seeing none, thank you very much. It's a pleasure to have you with us.

SENATOR FLOOD: Thank you very much. Appreciate the opportunity.

MIKE NOLAN: (Exhibit 1) Senator Schimek, members of the committee, my name is Michael Nolan; the last name is spelled N-o-l-a-n. I'm the city administrator of Norfolk, and this is the fourth time that I have brought this to you, Senator Schimek. This bill has no baggage and until you raised the question about flood control and the storm drainage, I was going to say that a little more intensely, I need to put my disclaimer on the front of this. This bill, with the exception of the amendment that Senator Flood alluded to last year that was added by Senator Smith, is exactly the way that Senator Wickersham wrote it five years ago. I was in his office; I went through every line of it with him; it is his creature. I didn't have an awful lot of input to it but I wasn't finding anything that I disagreed with, and it was an educational process. But I want you to understand that this authorship came from Senator Wickersham. So if there is any problem that the Legislature has today with flood control and storm drainage, I want to promise you we don't have an agenda in this bill related to flood and storm drainage, and if you want to do something with an amendment on that, please, we don't have any pride of authorship on that particular element. I'm going to just kind of walk you through this, and I know that several of you who have been on the committee before when I've reintroduced this have seen this presentation before, but I'm just going to...the first couple of pages will outline for you what's in the bill. Senator Flood talked about the debt not being able to exceed \$5 million; 25 percent of the debt service must be held by the second participant and it's based on 5 percent of the restricted funds. And he talked to you also about what the

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remonstrance provision is that's in the bill. The highlights affecting libraries are all outlined on the bottom of page 3, and Ted Smith, our library director, is here to speak to that and I'll defer to his portion of the testimony. I want to just kind of show you, in overview by picture, what happens when infrastructure is deferred over time, and this is not...this is kind of a poster child for this bill, but we're certainly not the only community in the state that could bring you this kind of information. On page 4, you'll see the building that the Norfolk Public Schools operates from. It was originally built in 1890, and burned down and was rebuilt in 1907. When we get to the...later in the...on page 16, you'll see the beginning of the Norfolk auditorium where the city offices are; that was built in 1939. I've told a little story here recently that the municipal auditorium housing the city offices was built when Franklin Roosevelt was president, and unfortunately the Norfolk Public School administrative office was built in 1907 when Teddy Roosevelt was president. That's how old these structures are. You can see that the school building is about 100 years old, and everything that's on page 6 will outline the deficiencies that are in that building. It's not ADA compliant; it doesn't have central air; it's not handicap accessible. Most of those statements are true about the city auditorium, as well. And you can see the pictures, you can see on the bottom of page 8, how the bricks and part of the building are crumbling because this building has exceeded its life cycle. On page 9, there's some storage rooms and some meeting rooms that are in the basement of that building. Page 10 shows you the men's restroom; it doesn't exactly look modern; a lot of more storage areas. I would take you over to page...some of this stuff is about the adjoining building, the junior high school that's attached to this building where they still, by the way, teach kids. And you go over on page 15, and I'm not trying to hyperbolize here, but that's the shower in that building. And the reason I added that comment is because that's the way the floor looks and kids still take a shower in that building. That's because this building is beyond its life cycle. I didn't mean "Tetanus, anyone?" to be a flippant comment, but I would be surprised if someone who did cut their foot on it couldn't get tetanus. You can see, of course, the way the fire escape looks, and it's just a totally different era of how buildings were constructed on

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page 16. The city building, the auditorium starts on the bottom of page 16. On the bottom of page 17, again the deficiencies and how that building works today. You can see on the bottom of page 19, Marsha, one of our secretaries, her desk is out in the hallway, and another secretary, Roseann's desk is in the former ticket booth of the auditorium. If you go up the stairs there where the engineering offices are located, you can sort of see what the spall across the top that's been caused by moisture in that building; we tried to maintain it as well as we can all these years. But then when you go to the bottom of page 22, you'll see that the engineering offices are in a storage area that's under the auditorium bleachers. And then the two or three photographs that follow will just show you how those offices are organized and where their records are stored. When you get to page 25, I think there's a significant frame there; that light that you're seeing coming through the door there is...we've replaced those doors a couple of times, and the building just isn't efficient, so the doors eventually warp. A couple of years ago, we had a \$3,000-a-month heating bill in the auditorium because they are not energy efficient. There's a crack that's going up the side of the wall from settling, and that's shown you on page 26. At one time before the Revenue Committee we were talking about...I forget who it was that had introduced a bill...and I wanted to tell my American flag story because I thought it was...it really showed you sort of how we do things when we're in a kind of deferred maintenance mode. And there was a city council member who wanted to spend about \$2 million trying to refurbish this old building, and we had a lot of other competing uses for funds, and his pretext for doing it were the cracks that went up the side of the building. And we had some city council members that said, let's buy an American flag. So, I'm going to open it up for any questions that you have. Ted wants to talk to you about the computers. I'm assuring you that this bill on its face is genuine; we're not trying to do anything here but give communities an incentive to do these projects together with other local subdivisions.

SENATOR SCHIMEK: Thank you, Michael. I congratulate you on your brevity.

MIKE NOLAN: Thank you. I'm glad you sort of pointed to

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my...

SENATOR SCHIMEK: Yes. Senator Brown.

SENATOR BROWN: Do you have examples of places where they have attempted to do this or have done this, absent this encouragement?

MIKE NOLAN: I don't. And Senator, I was on the Nebraska Innovations Commission that the Legislature created about five, six years ago, where this idea came from; it actually belonged to the commission. We've continued to bring it forward because we think it's got a lot of value to it. And the reason we did it was because there weren't any examples out there. There weren't very many examples of how local subdivisions are cooperating, and when they don't cooperate it means they all have parking lots and they all have plumbing and mechanical systems and they all have storage on their property, and all of that redundant space that taxpayers...instead of encouraging shared space, taxpayers have to capitalize all of it.

SENATOR SCHIMEK: Senator Wehrbein.

SENATOR WEHRBEIN: I'm not familiar with this, although it sounds like a good idea. I haven't been aware of the past. But you have interlocal agreements; you can do some of this now; you just can't do the joint bonding, would that be right?

MIKE NOLAN: We can do some joint bonding, but the incentive here, Senator, from my standpoint, and Senator Wickersham was very careful to craft this, was that the carrot on this is to get...to provide the local subdivisions an incentive to do this together. And right now when they do it separately. All of those are on the ballot, every one of those is. So the incentive was with a restriction on how much debt could be issued up to \$5 million and 5 percent restricted funds, was to figure out some mechanism where a school district and a city or some other local subdivision would work with another local subdivision to do the project. And I think it made an enormous amount of sense, and Senator Wickersham was very careful to put the safeguards in there where there wouldn't be any abuse of this.

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SENATOR WEHRBEIN: So you'd have an interlocal agreement.
But would you issue the joint bonds, that would be...

MIKE NOLAN: What I think would happen here is that we would
each issue a debt. The second part of it would have to do
at least 25 percent of it, and the reason I would say that
is not because of the way the law reads but because of the
way the bond councils look at these things. And they would
say that they would want to make sure that...because we have
to go out in the marketplace and sell these bonds, that
there was full faith and credit from each of the local
subdivisions behind a portion of the bond issue. So I think
you'd end up having...one of them would take one portion of
the \$5 million and the other one would take the other
portion. I think you would...

SENATOR WEHRBEIN: And then it would probably be divided
according to their ability to pay,...

MIKE NOLAN: Right.

SENATOR WEHRBEIN: ...or whatever the... Thanks.

SENATOR SCHIMEK: Senator Mines.

SENATOR MINES: Thank you, Madam Chairman. Mike, thanks for
your testimony. On the surface this would appear to the
average person on the street as a step around; as you're
backdooring us, now we don't have the right to vote on
bonding. And in your testimony, specifically you've
identified needs in Norfolk with facilities. One question
might be, why haven't you fixed them now? I mean,
why...have you gone to the voters and said, listen, these
are all the pictures we've got of the problems in our city;
how about if we float a bond and ask for their permission to
do that yet? Have you done that?

MIKE NOLAN: Yeah, we have. Let me explain it in a...what I
think is really the context of how municipal finance works.
It's not separate from what the schools do. Now you'll have
some communities where there's some animus between local
subdivisions; it's not the way it is in Norfolk. So we have
within the culture of our community a strong preference by

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citizens that we extend the longevity of buildings as long as we can. Now, that may not be unique to Norfolk,...

SENATOR MINES: That was a nice way to put it.

MIKE NOLAN: ...but it is; it is, Senator. And I have to tell you, we're also one of the seven places in Nebraska that grows, and so we have sources of need continuously to finance infrastructure. Now, if you look at...

SENATOR MINES: Back to your original answer, you said you put it before the voters and they turned it down, I assume.

MIKE NOLAN: No, we haven't put this auditorium before the voters yet.

SENATOR MINES: Okay.

MIKE NOLAN: We have not. What I'm trying to explain to you is one of the reasons why we have not is because we have a lot of things we have to spend debt on, and we've had...we financed streets. We've got about five or ten communities that issued the debt long ago for building their swimming pools. Those swimming pools are all reaching their life cycle now, and we're one of them, and so we've got that to deal with. Randy has got a huge bond issue that he's having to deal with that's going to be on the ballot. But we've put a lot of other things on the ballot. Our police station and fire station. We did a second fire station here recently; that was on the ballot. So we're not adverse to putting it on the ballot. What we're trying to...

SENATOR MINES: See, mechanically, this...and as you well know, I was in local government.

MIKE NOLAN: Right.

SENATOR MINES: Mechanically, this makes some sense, but if I'm a citizen that doesn't know any different, the Legislature is now sidestepping my right to vote on bond initiatives when, in fact, there are other funding mechanisms available to cities and counties, and I'm just trying to come up with a reasonable answer for that.

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MIKE NOLAN: And I think the answer is, that this...the answer, Senator, is the one I think that I gave you, which is that doing it this way is an incentive for those local subdivisions to build one facility together. And in the public meeting process that you would have, because you have to have that even in this bill, that would be how you would explain it. I guess the other thing I would tell you, and this is a...I think this happened...this event that I'm going to tell you happened in round one. I wouldn't identify who the senator was but I pointed out to the senator on that occasion that the law already allows cities to issue debt for drainage projects without a vote of the citizens, the emergency council would do that, and up to a certain level they can do that for fire stations and police stations. And his response was...and for fire trucks...his response was that fire trucks and storm sewers are more important than libraries. And so all of those kinds of questions about having the public participation and not, are value laden, and we deal with them on the basis of the way that yourselves and previous generations of legislators have told us that we have to approach that public relationship when a decision like this is being made.

SENATOR MINES: This is a significant change in public policy.

MIKE NOLAN: The only difference between this and what we're doing now is that this assumes we're doing this together with some other local subdivision.

SENATOR MINES: Okay.

MIKE NOLAN: And that's the incentive. The incentive is to provide some reason for us to cooperate with each other. And I think you're going to see that once this model becomes a pilot, if the Government Committee approves it and the Legislature approves it, you'll see that it will be one way that we can enhance infrastructure that's out there, that's in a...

SENATOR MINES: Thank you. Thank you, Madam Chairman.

MIKE NOLAN: ...deteriorated condition.

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SENATOR SCHIMEK: Yes, Senator Langemeier.

SENATOR LANGEMEIER: Thank you, Senator Schimek. I guess I want to pose a thought out, maybe it is a question, but it's a follow-up on Senator Mines' thoughts, using my community for an example. Schuyler tried a \$4 million bond three times now, and it has failed three times. We're in the process of looking at putting a new library in. With this bill it would be my understanding that we could propose a new library with our new school and stay under the \$5 million cap, even though the majority of the people do not support that in any way, correct?

MIKE NOLAN: The question though that is begged by that is really not only a decision of the voters, Senator. Page 2, the way that Senator Wickersham wrote this, it would be interesting to see how it affects Schuyler. But the level of funding that could be available to do that has got, one, a restriction of...and in Schuyler's case I'm not sure how their restricted funds work, but in most communities restricted funds are like on your sales tax and your state aid and your property tax. It wouldn't allow you to have a whole lot of debt service to do this. So when Senator Flood says that you're not going to be building a Taj Mahal, I think that the highest probability of being the result in every community that would entertain the possibility of doing this. Now, I don't think what this means is that you are disengaged from your citizens. What I think this means is that what we get from doing this is that there's got to be at least a second partner. And there is a situation, I think, where when there's not a second partner, the converse of what you described is that instead of having the public not approve a bond issue, they might approve both of them, and you end of having then some redundancy in both buildings that could possibly...you could possibly improve that situation if you're having people working together. So as you can tell, and Randy can kind of speak for how he...he's here, the school superintendent...how he interprets kind of the culture of our community, but I think that you can see that we've tried to create a lot of longevity with the use of buildings, and this isn't the only example and I'm sure that Randy can talk to you about.

SENATOR LANGEMEIER: Thank you.

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SENATOR SCHIMEK: Yes, Senator Fischer has a question.

SENATOR FISCHER: Can you legally work with another political subdivision right now?

MIKE NOLAN: We can...

SENATOR FISCHER: Can the county work with the city in trying to do some construction?

MIKE NOLAN: We haven't done a construction project with the...

SENATOR FISCHER: Can you though, legally?

MIKE NOLAN: Oh, yeah, we can: we can.

SENATOR FISCHER: But you feel that...

MIKE NOLAN: But everything that we would do would have to be on the ballot with them. Roughly speaking, Senator, the only thing in cities of the first class...now what you get when you interlocally cooperate is, generally speaking, and I'm not trying to complicate your answer, if one of the entities has the authority, then they both have under the Interlocal Cooperation Act. But what you have with debt service, is a little unique with respect to the size of the city. In cities of the first class, utility debt can be issued by elected officials without a vote of the citizens. Oversizing costs for intersections and extra thickness in roads can be done without a vote of the citizens. Because the Legislature has deemed it imperative that we have fire and police service and their equipments, within certain restrictions you can issue that debt without a vote of the citizens. But every other thing that I know of that involves a public facility, whether it's a recreation facility or a meeting room or a senior citizen's room or something else that's a public purpose structure, requires that that be voted on. So you don't really...what you gain by having interlocal agreements, it doesn't really affect that part of the act. I mean, the demographics that the Nebraska Innovations Commission discovered when we first started looking at this idea five years ago were that

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there...unfortunately, Senator, there just weren't very many communities that were cooperating, county or other subdivisions that were cooperating. Everybody pretty much did their own thing. So that was what we found and we...I think all of that stuff is still on a Web site someplace that the Legislature has access to.

SENATOR FISCHER: Don't you believe that the citizens that are going to be paying for this should have a voice in it?

MIKE NOLAN: I think they do under this provision here. We're going to be holding town hall meetings, and if you look on page 3, what it says is if you have opposition to it and they circulate petitions and remonstrate against it, then the only way you could proceed with the project is to put it on the ballot. So I think what Senator Wickersham did was he designed this with fail-safe mechanisms. He said, you're not going to be able to create a huge infrastructure cost for citizens; it has to be something that's a moderately priced building. You can't incur a whole bunch of debt service on something because you're restricted by the amount of the bond issue and the 5 percent of restricted funds. And then he said, at your public meeting if the result of the public meeting is that the citizens don't want it and they remonstrate against it, then the only thing you can do is to put it on the ballot. I think, given the way that most citizens are, they're pretty actively involved in all of these kind of decisions; if this didn't have public support, we would either then be faced with not doing the project or by putting it on the ballot.

SENATOR FISCHER: So even though you could have political subdivisions work together currently, and it can be put on the ballot for voters to decide if they want their tax dollars to go for this project, you still believe that you should have incentives to work together?

MIKE NOLAN: I think what we should be trying to do is to do everything we can with the tax base we have in the state, and I hope this isn't too controversial a statement, the proliferation of local government that we have in the state, to try to get local subdivisions of government to work together. And it's much better to do it with a carrot rather than a stick.

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SENATOR FISCHER: Thank you.

SENATOR SCHIMEK: Seeing no further questions, thank you for being with us, Mike. May I see the hands of those who are going to testify in favor? Okay. We'd better keep it down to about two or three minutes per testifier, please. And try not to be too repetitive. Do we have opponents to the bill? May I see the hands of those...okay, thank you very much.

RANDY NELSON: (Exhibit 2) I'll try to be very brief, Senator. Senator Schimek and members of the committee, my name is Randy Nelson, the last name is N-e-l-s-o-n. I am the superintendent of schools in Norfolk, Nebraska. I do have written testimony there. I'm not going to read that because a lot of what I'd share has already been shared, so I'm not going to be repetitive there. But what I'd like to do is just very briefly come from somewhat of a school's point of view. And as I've listened to some of the concerns and issues that you have brought forth, I want to bring you, hopefully, a little different perspective. And I know Senator Fischer has been involved with schools and me on a school board, so she does understand some of the issues that we do face. In a public school setting in Nebraska, we are very limited on the avenues that we have to raise monies to impact our facilities and our buildings. One way, of course, is doing a bond issue. One way that many of us had, we still have on the record, is a building fund levy, but because of the levy lids that we've had and the spending lids that we've had over the last four or five years, schools like Norfolk have not been able to levy any money in our building fund. In fact, all of our levying authority has had to go to the general fund for the operation of the school. And so we are again using all the monies that are available to us, because of the levy lid, to go towards the operation of the school and providing money for our staff and so on. And so we are looking for alternative ways of how we might look at providing resources to upgrade and update our facilities. Mike had mentioned that we are in the midst of a \$25 million bond issue right now in Norfolk. We're looking at upgrading 11 of our buildings. But one issue that we face...I will say that one of those 11 buildings is not the administrative building. And one of

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the things that we face is that we have to put the needs of the kids first. And so our funds, our efforts, are going to those facilities that best directly impact the needs of our kids. And I am somewhat embarrassed on some of those pictures, I need to tell you that we have done some upgrading to the facility you saw, as far as our administrative building, which is nearly 100 years old, but we have to ask ourselves how much money do we want to pump into a 100-year-old building. But we realize we're going to probably be there for awhile, yet, and so we are doing some upgrading to at least make it functional. But keep in mind, many of the people that come as new residents to Norfolk and enroll their children in school, the first facility they see, the first image that they have of the Norfolk Public Schools is walking into a 100-year-old building. And I'm not saying that that's all bad, but when you think of economic development and when you think about having at least facilities that are functional and adequate for our kids, it doesn't send a great message. But I just want to echo the idea that I think it's extremely important that when two public entities can work together, and I guess it's somewhat sad, Senator, that you have to have a carrot out there to make some of that happen. You have to have some incentives to make that happen. We have worked very hard in Norfolk to work together, and I think we do a good job of doing that. But I think that I see a lot of examples of schools our size across the state that have entities that don't work together. They don't talk to each other, and so there's a lot of redundancy that's happening, and I think unnecessarily. And so we think, I think that with LB 217 that we would have an avenue there, an alternative way to provide, to address some facility issues in our district that would be beneficial to our patrons and our kids, and I think in the long run would actually be of benefit to our taxpayers as well. So, I'd like to have you keep that in mind. And also we understand that...we do think with LB 217 and I might refer to it, that with remonstrance, that with a 15 percent of the registered voters, they can put this on the ballot for a vote. And as Mike said, we're in the midst of a huge bond election right now, and our main goal right now, main focus is to meet the needs of our kids and the buildings that they attend, and so our administrative building is secondary and probably will always be secondary. With that I will try to answer any questions that I might.

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I'm not an expert on this bill but I can just hopefully give you some perspective from the school's point.

SENATOR SCHIMEK: Thank you. Senator Fischer and then Senator Langemeier.

SENATOR FISCHER: Mr. Nelson, are you in the midst of a bond issue, you said, right now?

RANDY NELSON: Yes.

SENATOR FISCHER: When's the election?

RANDY NELSON: It is March 15.

SENATOR FISCHER: And how much is that for?

RANDY NELSON: Twenty-five million.

SENATOR FISCHER: How many buildings?

RANDY NELSON: Eleven buildings.

SENATOR FISCHER: Are you just remodeling?

RANDY NELSON: We're looking at mostly remodeling and renovation, and probably half of the bond issue is addressing electrical-mechanical infrastructure needs. And as Mike said, many of our buildings are old buildings, and we have chosen, the board has chosen to continue the usage of our old buildings, so that's what we're going to do.

SENATOR FISCHER: How is the hearing process going? I assume you're having listening sessions and working on this.

RANDY NELSON: Yeah. We just started the process within the last week and we're going out now and informing the public of what we're doing and costs and so on. I'm in the midst of doing a lot of speaking and some of those things, so that is a start.

SENATOR FISCHER: How do you think it's going to go?

RANDY NELSON: It's going to be difficult. I think we can

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show the need and...because it's there, because we're not asking for wants, we're asking for what we really believe we need to provide our kids with safe environments that are functional, and we're not asking for new facilities. But we just keep our fingers crossed and work hard to...and hopefully we can do it.

SENATOR FISCHER: Good luck with that.

RANDY NELSON: Okay. Thanks.

SENATOR FISCHER: Under this bill, if it's a limit of \$5 million a project, could you look at this, say this bond is going to fail,...

RANDY NELSON: Um-hum.

SENATOR FISCHER: ...and I hope it doesn't for you, but say it's going to fail.

RANDY NELSON: Um-hum.

SENATOR FISCHER: If this bill would pass, then could you look at this bill and divide up your current bond issue into four \$5 million projects, and circumvent the voters?

RANDY NELSON: You know, with what we need to address, it would be very difficult because we have such needs in our infrastructure that...and that was a hard thing that...the board was asked a question, do you need to do all 11 buildings, and their answer was, yes, because it would be very difficult to say, we're not going to do these three buildings because they don't have as great a need as these other three. Again, I don't think that would...I'm not sure whether it could be done or not, I'm not saying yes or no, it could be. I would never ever want to use that avenue.

SENATOR FISCHER: But would this bill allow you to address the problems you have now by dividing it up at that \$5 million limit? This is a sincere question. I'm just wondering if you can complete a project by dividing it into, just to get under that \$5 million limit?

RANDY NELSON: I think with the size of project and needs

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that we have, I don't think we could use this particular avenue. I'm seeing this as more of an avenue of smaller projects. Now keep in mind that...

SENATOR FISCHER: Libraries.

RANDY NELSON: Yeah. Keep in mind that this project has to include another entity, so that money cannot all be designated for just a school. And to give you a quick scenario of what even the city and the Norfolk Public Schools have looked at, if we would look at combining our administrative buildings, we have some land that we own as part of our involvement in the project. We have...you know, just trading off with other entities and sharing, we could reduce a lot of the costs. And we talk about the facility issues themselves. If two entities were to go together in a building like an administrative building, there's more than just the facilities that we could save. We could share staff, we could share materials, we could share equipment, so there's a multitude of things that could be saved and benefitted by having an incentive out there for more than one entity to go together.

SENATOR FISCHER: Okay, thank you.

RANDY NELSON: Thanks.

SENATOR SCHIMEK: Senator Langemeier.

SENATOR LANGEMEIER: Thank you, Chairman. As we've heard from two testifiers here, it's easier to dangle the carrot than the stick. I take it, my understanding would be, a vote of the people seems to be the stick.

RANDY NELSON: I guess I don't look at it that way.

SENATOR LANGEMEIER: What would be the stick?

RANDY NELSON: I think the carrot has to do with getting political subdivisions to work together. That to me is the carrot. And again, as I mentioned earlier, it's sad that we have to do that. But I can tell you stories of other superintendents, for example, in other communities of my size that do not have a good relationship with the county or

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the city or other entities, and they don't work together, and in fact they work against each other, and that's sad. And as leaders, we need to work towards that, of working together. And we've had a good relationship, as I mentioned earlier, with the city, and have not had a lot of partnerships with projects that would include a lot of money. We've shared. We've shared staff, we've shared materials, we've shared equipment and those types of things. I guess I want to focus more on the carrot and the idea that, let's do what we can to get those political subdivisions to work together.

SENATOR LANGEMEIER: Thank you.

SENATOR SCHIMEK: Thank you for being with us; we appreciate it. Oh, Senator Mines...oh, Senator Pahls has a question.

SENATOR MINES: There are two of us.

SENATOR PAHLS: I just have a question. And I do, because with the tax situation I think we do need to work together. But I know of two instances, one a long time ago in the Millard School System working with the city; they built a large community center, the city and the school together, and that was like 30 years ago. And just within the last ten years in Ralston, they've done the same thing. So I see two cities, and Norfolk is in-between on size, and that's simply because of the leadership?

RANDY NELSON: Yes. And again, that can be done. And what we're dealing with here now is just the limits that we have of what we can do together if we're looking at facilities. And so you're absolutely right; it should be happening.

SENATOR PAHLS: Because they do, they share. At night, the community moves over; in the day the school moves over.

RANDY NELSON: Yeah. And we would love...and like I say, we have done some of that right now in our city...

SENATOR PAHLS: Okay, I thought you had.

RANDY NELSON: ...and we'd love to have the opportunity to expand that opportunity.

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SENATOR PAHLS: Okay.

SENATOR SCHIMEK: Senator Mines.

SENATOR MINES: Thank you, Madam Chairman. Dr. Nelson, if we look at what you're proposing in Norfolk as someone on the street, and suggest...what you're proposing is exactly what people are afraid, might be afraid of, that you're running a \$25 million bond initiative; you're not including the administration facility for concern that it may take down the whole bond initiative. That could be a perception that may be reality, may not. So let's do the schools, let's address the children's needs, and then let's come back and do a \$5 million joint project and fix up administrative facilities without asking the people. From the average guy on the street, that's what it looks like and feels like. And I understand cooperative efforts between...and I encourage it. I'm just bringing that up because that's what it feels like.

RANDY NELSON: Um-hum.

SENATOR MINES: Is you can't get it through a vote of the people, so let's do that part and then we'll fix it without asking for a vote of the people. What do you think?

RANDY NELSON: Yeah. And I understand that perception, Senator. Again, what I look at is the idea...and we have purposely not put it in our bond election because we did not see it as a priority. Our priority is with kids.

SENATOR MINES: Right.

RANDY NELSON: And that's a sad scenario because in essence the likelihood of possibly even us doing a successful construction for a new facility are limited. But does it make sense to have the city, the school, the community college, or whatever other entity all go out and build an administrative building and find whatever creative ways they can do it to do it, does that still make it right even if they have the opportunity or the means to do that? I'm saying it doesn't make a lot of sense if there are ways that we can do it together. And, you know, I understand the

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perception that you have and I don't deny. But I don't think that's the intent of what we're trying to do that at all.

SENATOR MINES: It's not my perception. I'm on your side.

RANDY NELSON: Yeah. But I understand that and being in the school business I deal with a lot of perceptions, and unfortunately that's reality to people, so you have to deal with that. And I understand that. But again, I think that we're trying to just come forward and share that it's important that we do work together as a public entity, and we would like to have another avenue, another alternative way that we can do that and still involve the people, involve the public in this. They do still have a say. If they're saying absolutely this is not what we accept, then that's the message. And we'll try to go from there.

SENATOR SCHIMEK: Thank you, Dr. Nelson.

RANDY NELSON: Okay, thank you very much.

SENATOR SCHIMEK: Next proponent.

LANCE HEDQUIST: Chairman Schimek, members of the committee, my name is Lance, L-a-n-c-e, Hedquist, H-e-d-q-u-i-s-t. I'm the city administrator of the city of South Sioux City. On February 28 of this year, the city of South Sioux City, the South Sioux City School District, Dakota County, city of Dakota City, and the other communities in our county will have our 26th annual joint meeting between the major property taxing bodies in our county. This is the oldest such meeting of its kind in the United States in which we sit around much as we're sitting around here today with elected officials talking about how can we better use the manpower and the talents of our employees; how can we better use the equipment and buildings within our community; and how can we work together to be more efficient in terms of providing government services to the taxpayers within our particular entities? At last year's meeting, for instance, we discussed the need for a jail facility. And South Sioux City and Dakota County just passed last year by over 80 percent in a public vote, passed for the construction of a jail that's funded for the first time by a

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1 cent, or excuse me, a half-cent countywide sales tax. The city of South Sioux City also has a joint law enforcement center with the county. The school buses park on city ground. Our city fire station is on school ground. We do simple things such as getting...having the county gravel our few gravel roads. We paint the stripes for the school parking lots within our area. At this next meeting we'll be talking about trading our old library that we just replaced to the school for their administrative offices in exchange for an elementary school on some ground where we do some snow removal within our community. We have a joint water district with the rural water district. We have a joint water system with the city of Sioux City. We have a tri-state sewer system. We have a trail system that goes to Dakota City. And our list of cooperative ventures goes on. We see this bill as a help, certainly not an answer-all for everything that needs to be done, but we see this as a help to encourage us to cooperate more between the various property tax entities within our particular county. I don't see that there is going to be a major, you know, there's not going to be any \$25 million issues with the levels of restrictions in terms of the 5 percent funds. Having 25 percent of the project having come from another entity, certainly we're not going to invest South Sioux City taxpayers' dollars in a school district building for a school. So I think there are some restrictions that keep some of those caps down. But we see this as a project that would help encourage smaller projects to be worked on together between the various different units of government. I think we've been a proven performer in the past of getting those things done, and we will continue to do that because we do want to keep the property taxes down within our community and with our area. And we see that cooperation is a benefit to getting that done. And we'd encourage the passage of this bill to help provide a carrot and an incentive for people to talk together to see how we can do it better by working together.

SENATOR SCHIMEK: Thank you, Mr. Hedquist. Are there questions? Seeing none, thank you for being with us. We appreciate it.

LANCE HEDQUIST: Thank you.

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SENATOR SCHIMEK: Next proponent.

TED SMITH: Senator Schimek and members of the committee, my name is Ted Smith, S-m-i-t-h, and I am the director of the library in Norfolk, Nebraska. And I'm here to talk to you about a sharing project that we have right now that I think is a perfect example of what we're trying to do with this bill, and I think it would serve as a model of what can be done around the state. And first of all, I need to give you a little background. Some of you have been on the committee for a number of years and some of you are brand new, so I want to make sure that everybody understands what we did in Norfolk, Columbus, now Grand Island, and Hastings are also included. But in 1999 our library automation system, Columbus library automation system, and Northeast Community College library automation systems were all three reaching the end of their serviceable life cycle. Our three library directors got together and we thought, why is it that you're going to buy in Northeast Community College, why are you going to buy a \$100,000 system? Why am I in Norfolk Public Library, a mile and a half down the road, going to buy a \$100,000 system? And why is Columbus Public Library, 45 miles down the road, going to buy a \$100,000 library system? Why couldn't we all three just buy one, use the Internet to share our information, store the server in one library, have one library be responsible for information management, all the upgrades, all the hardware and software issues, and free up members of your various libraries who are working in that area now to do other avenues or work in other avenues of public service? We thought that was a good idea. We thought it was something we could do. We went out to see if, first of all, if there was going to be any savings around, and so we bid three separate projects and then we bid one shared project just as if we were going to do a real thing, and it turned out that we saved, by going on a shared system, \$110,000 initially just going as three libraries joined as one. Instead of purchasing three systems, we bought one system. Immediately we saved \$110,000. That project, the next thing was how are we going to come up with the money; even though we saved \$110,000, how were we going to come up with the money to do that? Well, this project had never been done in the state of Nebraska at all. We had two public libraries and one community college and we went to the Nebraska Information Technology Commission, we went

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to the Nebraska Library Commission who funds or passes through funds from the federal government for the Library Services and Technology Act, and we also went to the Peter Kiewit Foundation, and all three of those entities thought that this was such a fantastic project and had not been done that they all three granted us money and they paid for \$149,000 worth of this project. That couldn't be done today because we did it, and so nobody is going to be able to come up and say, guess what, we've got this great project, we're going to put three or four or five public libraries together, because we've already done it. We've proven that it can be done. We've proven that using the Internet it can be done. Since 2001 when we started this project, just Columbus Public Library and Norfolk Public Library together have saved over \$70,000 in annual service maintenance costs because we cut the service maintenance costs from, again, what would be for...Columbus and Norfolk were each paying almost \$17,000 per library per year. The first year we had our three libraries together we paid \$9,000 for service maintenance. That means each library paid...we have a formula set up, but our library paid just a little bit over \$4,000 as opposed to \$14,000. So in just the last five years we've saved well over \$70,000. Again, that's a sizable chunk of money for small communities. And all of those funds have to come out of the general fund. If we had had to come up with this money out of our general fund, it could not have been done. So one of the things that I just wanted to address, I'm sorry, Senator Fischer, there's a couple things I wanted you to know. I've been with this bill since its inception because I felt it was important for public libraries to be able to finance the incredible costs of keeping up with our technology. We started in our library in 1991 when I got there with one computer. I now have 43 computers and I have to replace a third of them every three years. At \$2,000 per computer, that gets it into a little bit of money. And again with the levy limits and things and the general fund, it's very difficult for my community to say, okay, I've got this, this, this, this, this. Where does library information technology fall in this issue? And we feel this bill is extremely important from that matter. And as far as doing a bond issue, when you're talking about \$100,000 for a library...say we weren't building a building. We just want to replace our library information and we need \$50,000 and the city wants to issue

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debt for that, it just is really cost prohibitive to go out and issue a...to run an election for a \$50,000 bond. The other issue is that I think it's important that we mention is that the people are involved in this every step of the way, from the city council or the public schools board, those are elected individuals who are supposed to deal with the issues of their constituents. And their constituents do have opportunity all the way through this process to run up the red flag and say absolutely not, we do not want this. And if that were to be the case, then it would stop. But what we're basically doing is giving the city council and the public school board an opportunity to say we're going to try this and then get it out to the people. And there's plenty of opportunity in that process for the people to say, yes, we want it; no, we don't want it. But again, I think initially, especially for public libraries, it just did not make sense to go out and do a bond election or an election to issue debt for a \$50,000 bond. If there are any other questions, I would be more than happy to answer those.

SENATOR WEHRBEIN: Thank you, I see none. Thank you.

TED SMITH: Thank you.

SENATOR WEHRBEIN: Anyone else?

LYNN REX: Senator Wehrbein, members of the committee, my name is Lynn Rex, representing the League of Nebraska Municipalities. We strongly support this measure as we have with the other bills that have been before this committee. This has been a committee priority bill twice, and did not pass due to lack of time for consideration. I would like to give you the backdrop to this because I think it helps explain why this bill is here today. In 1996, and prior to the years leading up to 1996, as Senator Wehrbein knows from his experience and certainly Senator Mines knows as a mayor, and maybe some of the rest of you know from your own experience in local governments, what was occurring is that there were petition drives across the state to put a lid on state and local governments, a constitutional amendment. Senator Warner and others decided that it was time to do something, impose some levy limits and restrictions on local governments. In 1996, the Legislature passed LB 1114. They also put in place what would be levy limits to take effect

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two years later, and those levy limits would take effect in 1998. In 1996, the lid took effect; we now call it a lid on restricted revenues and restricted funds. That lid was supposed to go away after two years, and Senator Wehrbein, because of your longevity in this issue, you know that what happened is that lid never went away. So what was supposed to be a lid with levy limits to equalize levies across the state became a twofold hammer on local governments. So you're punished for being frugal is what has happened. And we have a number of entities across the state that were caught in that. Of the 532 municipalities in the state, I'm here to tell you that the most conservative ones are the ones that were hurt the most by the lids and the levies. With that, Senator Warner and the Revenue Committee indicated that what they wanted to have was an Innovations Commission, and part of the entire package of bills that passed with LB 1114 that year was dealing with the issue of creation of an Innovations Commission comprised of state and local government representatives, as well as individuals from the private sector. Their mission was to come up with incentives and things that local governments should be doing, because of the concern of the number of school districts in the state, the concern of how can we get folks working together, how can these things happen? Senator Schellpeper and some other folks had put in a bill which is highly controversial, and that bill was to say that there would be a state public facilities commission, and before the city of Blair, Nebraska, could build a building to house your snow removal equipment, you would have to have the approval of the school district, the ESU, the NRD, everyone, and then once you got all that, then you would have to trot down to Lincoln, Nebraska, to a state commission who would say, should Blair be able to do that or not, yes or no, because we know better in Lincoln, Nebraska, then they would ever know in Blair, Nebraska. And of course, in Blair, that's maybe an hour-and-a-half drive on a bad day, if you're from Chadron, that's a long haul to come in and bring and fund your engineers and architects to do that. So after Senator Warner and the Revenue Committee looked at that they said, that doesn't make sense. What we're going to do is we're going to assign the Innovations Commission the responsibility to come up with an incentive plan for cooperation and collaboration--that is LB 217. Mike Nolan indicated this was drafted by Senator Wickersham.

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Yes, in essence, it was in the context that he had directives and thresholds that he presented. He wanted to make sure it was extremely tight. This is not going to fund huge projects; it was never intended to do that. It was intended to create the collaboration with the thought that if you have collaboration on the smaller projects, certainly you will end up with more collaboration, and you won't have the schools building a building, an administration building, if you will, the city building an administration building, if you will, and two separate expenses, two separate buildings. And Senator Fischer, in response to your question to the superintendent of schools in Norfolk, does this just basically allow you to take the \$20 million school bond issue, divide it up into four different arenas, and then do it that way. The answer is no, because cities have no authority to build school buildings. Libraries don't have the ability to build school buildings. Cities have the ability to go with schools and build joint administration buildings. They have the ability to do certain things with schools and cities on libraries. Community colleges have certain nexus, but it is intended to have, that's why the whole thresholds are put in here in terms of why you can only use 5 percent of restricted funds, why you can only use certain elements in terms of levels of projects based on size of city, class of city. We have five classes of cities in this state, based on population, and five different forms of government. So the essence of this bill is to say, listen, first and foremost, we're going to say, we want to "incent" it. We're not going to use the hammer, we're not going to make you march down to Lincoln, Nebraska, and see if the state commission can do it, and although this is a personal thing and not something that the League board has voted on, with respect to what I'm going to tell you right now, the League board strongly supports this. Of course, as Senator Wehrbein knows and I think Senator Mines and probably some of the rest of you know, too, you're one state government. I could go through, as long as you have this afternoon, to tell you the number of times your state agencies don't collaborate. So what I'm suggesting to you is that, imagine now, taking however many, 93 counties, 532 cities and schools, however many other entities are out there, and say, okay, now why aren't they just collaborating? Well, for probably some of the same reasons that sometimes state agencies don't. But at the end of the

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day, what's important is to create the incentive, to create the partnerships, and most importantly to save taxpayer dollars. Could the city of Norfolk build its own administration building? Yes. Could they get it passed? I think they could. Could the school go ahead and build their own administration building after they take care of the kids, and you let three or four years pass? Yes, they could. But the question is, do you want them to go together and create that so that they can indeed do it? And as I think Ted Smith indicated to you, from Norfolk, the reality is on these smaller library projects, the cost of the election may very well exceed the cost of their total project. So I will also share with you, because some of you are basically familiar with recalls and local recall efforts, too, that there's a long story with that and I won't bore you with that this afternoon, but with respect to recalls and the state of Nebraska and working on this issue for over 30 years myself, I can tell you that's maybe two afternoons, people will tell you the duties recalls against local officials, two afternoons to meet a 15 percent threshold in a bar in most cities in the state of Nebraska. I think that's pitiful. But you want to know where most signatures are collected for recall petitions? That's where they're collected. Now, my point in saying that is, 15 percent, very small threshold. The original bill said 35 percent, 40 percent. We said, no, no. Make it the same as it is on recall. Make it a small threshold; if they want to stop it they can stop it. If you as a committee feel you need more notice provisions so people...because I don't think anyone is going to slide this by. And in fact, what you're going to end up with is in those entities that want to go forward and do this project, they're going to be pretty proud of the fact they are doing it. They're going to want to brag to their folks that they're saving taxpayer dollars. They're not going to be hiding with that. So, in essence, this is a project, and this whole bill started with the Revenue Committee; ended up being shifted to the Innovations Commission, which has now been sunsetted; came back to the Legislature's Revenue Committee, and that's why Senator Wickersham was involved in it, as Chair of that committee, because by that time Senator Warner has passed on, but the directive was, create the incentive. So with that, I'd be happy to respond to any questions that you have, but I will tell you that most regrettably it is true

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that, just like with state agencies, we have local governments out there that frankly, unless someone says, hey, here's the advantage to working together, they don't do it. And that's why we're here today.

SENATOR WEHRBEIN: Thank you, Lynn. It was good background. Senator Mines.

SENATOR MINES: Thank you. Lynn, could you tell us exactly how you feel about this issue? (Laughter)

LYNN REX: I would like to do that in the next two hours. (Laughter)

SENATOR MINES: One question. Ted Smith brought up a point, funding of technology, and he used the number \$50,000. In my experience, bonding is a long-term process. You bond projects that last...or you bond it for 10, 15, 20 years. If you're going...I assume you can bond for shorter periods of time, but to bond something like technology, buying computers as an example, seems very shortsighted. I mean, you're paying for computers...if you bond it for 10 years, you're paying for computers that should have been gone five years ago. Are there shorter time frames in bonding, because I'm not a bond expert?

LYNN REX: Yes, there can be shorter time frames in bonding, and that raises an issue that I wanted to...that Senator Flood indicated he was okay with, and it's a technical amendment brought forward to us, and I appreciate you asking the question, Senator, by Baird Holm Law Firm. And that is, and I can work with committee counsel on this, it's to strike language on page 8, line 10, the new language, and page 9, line 26, because those amend broader sections of law, and all it does it basically...basically you'll note it's pretty technical, it was put in by the Reviser actually; page 8, line 10; page 9, line 26. In answer to your question, Senator, yes, you can bond smaller amounts, but here's why this is happening and why it needs to happen. There...I mean, 1996 is when the lids were passed; they took effect in 1998. The original plan...and those of you that are new to the Legislature will probably hear several times, the Warner plan...the Warner plan was never effected. The Warner plan was, as I said before, you

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have a lid in effect for two years so no one can artificially raise what the levy is. Then you have the levy go into effect in 1998. For second-class cities and villages, that lowered their levy of \$1.05 per \$100 of valuation to 45 cents plus 5. For cities of the first class was 87.5 cents down to 45 cents. That is a huge reduction in a function of basically two years. So what has happened with that, from 1996 on, when the Legislature didn't take off the lid, which was Warner's original plan...you know, you take off the lid, you leave, and then levies are there...because his vision was, imagine this, there are some areas in the state that aren't paying enough property taxes. There are other areas that are paying way too much. And so LB 1114 was intended to be an equalizer. What's happened, Senator Mines, is that there is tremendous pressure--tremendous pressure. And so what you're finding is that not just with technology projects, but with a lot of projects, that basically folks are forced to bond. They don't have a choice. They're forced to bond because they can't do it within the restricted lids levy; they can't do it within the levy limit; they can't do it. And there are certain things that really come down to just fundamentally, where do you repair a street that's falling apart and then you offset that...I attended one meeting recently where the issue was, what's the cost of the lawsuit if someone gets injured versus the cost of repairing, and they're going to go out for bond for a piddling amount because they can't afford...they're at the maximum levy, they're at the maximum of 2.5 percent on restricted funds. And for those of you that are new, local governments, except for schools, and I would never purport to understand the school finance lid, but for everyone else it's 2.5 percent, is the maximum over the restricted funds from the prior year. That's not much money. So in Kearney, Nebraska, as you know, Senator Mines, because you've worked with us on this issue before, in Kearney, Nebraska, for years we've worked with the Revenue Committee to try to get some flexibility on this in terms of lids and levies. And for them, they needed two more police officers that they couldn't get. Kearney, Nebraska, their 2.5 percent wouldn't pay for that. So, in short, that's why people are going to shorter bond issues. That's why people are using tax anticipation notes. That's why people are doing what they can do not to make great strides forward, but to make incremental strides forward

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because basically there are also mandates to provide certain levels of public service.

SENATOR MINES Thank you. Thank you.

SENATOR WEHRBEIN: Thank you, Lynn.

LYNN REX: My answer could be longer,...

SENATOR MINES: I know it could.

LYNN REX: ...but that's my concise answer, Senator.

SENATOR MINES: Thank you.

SENATOR WEHRBEIN: Thank you, Lynn. I see no other questions.

LYNN REX: Any other questions? Thank you, sir; appreciate it.

SENATOR WEHRBEIN: Thank you. How many more to testify, proponents? Okay, we'll try to move along. Thank you.

DAN MAUK: Senator Wehrbein, members of the committee, my name is Dan Mauk, M-a-u-k. I'm the president of the Norfolk Area Chamber of Commerce; I'm a registered lobbyist for that organization and I'm here to testify in support of this bill. Nebraska faces a number of very serious challenges. The Legislature will deal with that every day during the session. Among those, limited growth, particularly in the rural areas. Senator Fischer, that's an area that you're probably painfully aware of. We're seeing depopulation in the rural areas. When you have depopulation in rural areas, you increase the per capita costs to service, government services, by an extraordinary level. They're faced to make very tough decisions in the rural areas. We just finished an election cycle. I heard many candidates describe, I want to bring business-like efficiencies to government. That's almost a cliché when you're running for public office, but it's a smart thing. Voters understand that; it makes sense. It gets to be very difficult when you're trying to enact legislation to get that done, however. Here's an example. This is a bill that can help you go back to your

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constituencies and say, this is something that will help us make Nebraska government more efficient and more cost effective. There are safeguards with regard to interest that Senator Mines and Senator Langemeier had mentioned with regard to the voters. The 15 percent threshold is a reasonable threshold. The hearings process is reasonable. You're dealing with elected officials in every case from two government subdivisions. They are elected officials; they are answerable to that same constituency. There's a redundancy in accountability to the voters. If there's a fuss at the hearings, the city councilmen and the school board members, in our case in Norfolk are going to say, whoa, just a minute, we better back off on this. Everybody is accountable. All the interests are addressed. But legislation like this can make us a more efficient, a better state, by doing the kind of things that we in business do all the time. If we want to share a parking lot, we share a parking lot. We split the costs of doing that; it just makes sense. And I'm available to answer any questions if you have any.

SENATOR WEHRBEIN: Thank you.

DAN MAUK: Thank you.

SENATOR WEHRBEIN: I see none. Thank you.

ROD WAGNER: (Exhibit 3) Good afternoon, Senators. I am Rod Wagner, director of the Nebraska Library Commission. Wagner is spelled W-a-g-n-e-r. I'm here representing the Nebraska Library Commission. I will be brief. I would like to note on the record that the Library Commission supports this legislative proposal and encourages the committee's support. The one thing that I would add concerns the financing, and that's what I find appealing, not only the opportunity for collaboration and the encouragement for joint projects, but the option that would be available to libraries to help finance technology projects. Ted Smith gave great examples of how they have done that as a model for other communities across the state. I would note that of the state's 260-plus public libraries, 95 percent or more of their budgets come from local sources; basically they're municipal funding. The Library Commission has a small amount of money to make available for grants; about \$300,000

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annually that is available for libraries to apply for technology and for other kinds of library service projects, so it doesn't go very far. It doesn't help very many libraries each year. It does help but it's not enough to do some of the major kinds of projects that are needed in Nebraska. With that, I'll stop and be glad to respond to any questions you may have.

SENATOR WEHRBEIN: Questions for Mr. Wagner? Thank you.

ROD WAGNER: Thank you very much.

JACK CHELOHA: Senator Wehrbein and members of the committee, my name is Jack Cheloha; the last name is spelled C-h-e-l-o-h-a. I'm the registered lobbyist for the city of Omaha, testifying in support of LB 217. I'll be very brief, as most of the comments that I wanted to make have already been said. In the interest of local control, any time the Legislature gives us more tools and abilities to do our job and to solve problems on the local level, we applaud that and we typically testify in favor of those kinds of bills. In particular, this bill, we don't have any preconceived set ideas as to how we would utilize this, but maybe it would work to build a community center or another project, either working with the schools or with the local NRD, or even the county. I mean, lately we've been focusing on city/county merger in our area of the state, working with Douglas County to merge our purchasing departments, our computer departments, et cetera. But if you were to advance this bill to the floor, I think it would be a good tool for local governments to have, and that could help us continue providing services to the citizens at a lower cost. Thank you. I'll try and answer any questions.

SENATOR WEHRBEIN: Okay, thank you. Questions? I see none. Thank you. Other proponents?

BRIAN HALE: Senator Wehrbein, members of the committee, my name is Brian Hale; I represent the Nebraska Association of School Boards. Once again, many specific examples have gone before me. We support this and have supported it in the past. Schools, as you know, have evolved at the core of nearly every community in the state. Educating our kids is a community job. This vehicle gives communities a chance to

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address the needs of our kids in a comprehensive manner beyond maybe the 8 a.m. to 3 p.m. time line. The opportunity to do some things collectively is an important way and it's a chance for community entities to work together on features that make a community more livable, attractive, and do that in an efficient way. So in that respect, we would like to issue our support on this bill.

SENATOR WEHRBEIN: Okay. Thank you, Mr. Hale. Questions? I see none. Any more proponents? Opponents to LB 217? Anyone neutral to LB 217? If not...Senator Flood left, I guess.

ROCHELLE MALLETT: He had to step out for a moment.

SENATOR WEHRBEIN: Do you know if he wanted to close?

ROCHELLE MALLETT: I think he would waive.

SENATOR WEHRBEIN: Okay. I will assume that Senator Flood wants to waive closing, so that will close the hearing on LB 217. We will move to LB 55.

SENATOR MINES: You've been very patient, Michael.

LB 55

SENATOR FOLEY: Thank you very much, Senator Wehrbein and members of the committee. For the record, my name is Mike Foley, F-o-l-e-y. I represent District 29 in the Legislature, here today to present to you LB 55, which offers some minor technical revisions to legislation that this committee worked on just a year ago. I see that you've got a lot of new members on the committee this year, none of you would remember the bill in committee, but last year before this committee I brought LB 1155, which established in law a preference for blind persons and puppies owned by blind persons to run vending facilities within state office buildings. That bill was treated very kindly by this committee, it was advanced unanimously, went to the floor and was ultimately amended into another piece of legislation and became the law of the land. The bill that I'm offering today offers some minor revisions to the work that was done

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last year. Essentially what we're doing is we're bringing Nebraska into conformity with the 1936 federal statute, known as the Randolph Sheppard Act. The Randolph Sheppard Act establishes a preference for blind persons to run vending facilities in federal office buildings, and I had the pleasure of living and working in Washington, D.C., for about 20 years, and if you go into any of the federal office buildings and need a soft drink or a bite to eat, more often than not you would find yourself being served by a person who's visually impaired or blind, and that has been a great benefit to the blind community. And about 40 states, and now 41 with Nebraska, have joined in with their own state version of the Randolph Sheppard Act. When we enacted that legislation last year and brought Nebraska on board with the other states with Randolph Sheppard, we included some language that states that the priority for the blind shall only be given if their bid is comparable in price to the other bids submitted, and the qualifications and capabilities are also comparable. The blind people are very willing to compete head-to-head with other bids, but if their bid is similar and comparable, they would be given a preference for vending facilities in the government office buildings. The bill before you just makes some very minor changes to what we did last year, and I'll just walk you through the bill very quickly--it's a short bill. On the bottom of page 2, line 25 and 26, we're defining the word "vending facility," to bring it in conformity with the federal definition of a vending facility, to include cafeteria, snack bars, cart service, and so forth. The language on page 3 of the bill, that middle paragraph where you see a lot of stricken language, that surplus language relates to a fund transfer that took place four or five years ago that's all ancient history, and the bill drafters recommended that language can be just removed from statute. However, about down at the bottom of that page, there is a substantive change in law where we struck, on lines 25 and 26, where we're striking the requirement that the blind facility must employ three or more persons in order to qualify. That language is not needed. This would enable blind companies that are slightly larger to also participate in this program. So I would regard this bill as offering some minor technical changes and may open up a few more opportunities for blind persons to participate in offering vending services in government buildings. I would

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ask that if you choose to advance the bill, that you would consider amending the bill to include an emergency clause because there may be some opportunities that will open up in the near future and that would help the bill's prospects to be of some benefit to the blind persons. Also I would call to your attention the fact there is a fiscal note on the bill; it's a positive fiscal note, Our Fiscal Office believes that this might bring in perhaps as much as \$20,000 worth, so to the Commission on Blind and Visually Impaired persons, because they feel that there may be some more opportunities for blind-owned companies to get into the business, and a portion of their revenues flow back to the Nebraska Commission on Blind and Visually Impaired Persons, so it does have a positive fiscal impact. With that I'd ask for your favorable consideration of LB 55. Thank you.

SENATOR SCHIMEK: Thank you, Senator. I'm sorry I missed the very first of your testimony, but are there any questions? Yes, Senator Mines.

SENATOR MINES: Just one, Senator. Senator Foley, how would this just directly affect the cafeteria here, in practice?

SENATOR FOLEY: Well, sure. Right now there's an existing contractor who runs our cafeteria in this building. When that contract expires, that contractor presumably will want to rebid to win an extension of...a new contract. A blind-owned company could also bid to service that facility. And if their bid is as good, and their services and their qualifications are as good, they would be given a preference...

SENATOR MINES: Okay.

SENATOR FOLEY: ...to run that cafeteria.

SENATOR MINES: All things being equal.

SENATOR FOLEY: All things being equal, that's right.

SENATOR MINES: Okay.

SENATOR SCHIMEK: Yes, Senator Wehrbein.

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SENATOR WEHRBEIN: One of the questions on the three...you said it's kind of a major change, but in a lot of ways it's a minor change.

SENATOR FOLEY: Well...

SENATOR WEHRBEIN: It just opens it up. It was...

SENATOR FOLEY: It opens up. If there's a blind-owned company with five employees, for example,...

SENATOR WEHRBEIN: Right. Right.

SENATOR FOLEY: ...they could participate in this program, as well.

SENATOR WEHRBEIN: But we had three in there for a purpose, or do you know anything about the history?

SENATOR FOLEY: I really don't know. There's no such language in the federal version of this law,...

SENATOR WEHRBEIN: Okay.

SENATOR FOLEY: ...so I don't know why it was in the Nebraska version.

SENATOR WEHRBEIN: We were just being cautious, maybe, or somebody was?

SENATOR FOLEY: Perhaps, yeah. It's old language. I don't know where it...what the history is behind that.

SENATOR WEHRBEIN: It doesn't seem significant at this point, unless we were trying to attract small business, maybe...

SENATOR FOLEY: Maybe one of our testifiers will know the history of this, but I don't, quite frankly.

SENATOR WEHRBEIN: Yeah, okay. Thank you.

SENATOR SCHIMEK: Seeing no further questions, thank you very much for being with us.

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SENATOR FOLEY: Thank you, Senator Schimek, and thank you for convening an early hearing on the bill; appreciate that.

SENATOR SCHIMEK: Yes, you're welcome. We will now take proponents of the bill, and I would be interested in a show of hands of how many proponents there will be? One, two? Is that correct? Thank you. Welcome, Carlos.

CARLOS SERVAN: (Exhibit 1) Good afternoon, Senators. My name is Carlos Servan; my last name is Servan, S-e-r-v-a-n. I live on 3800 C Street here in Lincoln. I'm the deputy director of the Commission for the Blind for Rehabilitation Services, which mainly work with blind people to be trained and get employment opportunities. I have here a written testimony for your records. The Randolph Sheppard program was enacted in 1936. The main purpose is to provide opportunity for blind people to work, and also to educate the public opinion in regards to the capability of the blind. It was enacted because there is a large unemployment rate among the blind, and also a poverty. This program in the beginning was seen as a small opportunity for blind people to work, and as the years went through, the blind people with their capability and good training, were able to progress and get better business opportunities, to the (inaudible) now that people are running good businesses and therefore paying more taxes. The vending program in Nebraska, the way how it works is the Randolph Sheppard program is administered by the Rehabilitation Services Administration and at the U.S. Department of Education. They are the ones who give the money to each state to run rehab services for all disabilities. In the case of Nebraska, we have the Commission for the Blind, as well, and the Commission for the Blind is the one who oversees the Randolph Sheppard for blind vendors. There is a vendors, a Committee of Blind Vendors. The vendors do pay a set-aside, I believe it's 13 percent right now; the chair will testify in a few more minutes. A 30 percent of all their profits or all their sales goes back to the program in order to maintain the program, but also to create more opportunities for blind people. With the amendments in this law, we will both be in compliance with the federal law and not have any concerns or unclear situations in regards to running larger cafeterias or larger businesses in federal buildings and

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state buildings. And I will answer any questions if there are any.

SENATOR SCHIMEK: Thank you. Are there any questions? I don't see any, so thank you very much.

CARLOS SERVAN: Okay.

SENATOR SCHIMEK: Appreciate your coming in and everyone being here to support you. Good afternoon.

DAVID HUNT: Good afternoon. My name is David Hunt, that's H-u-n-t, and I live at 3755 Everett Street, Zip 68506, here in Lincoln, Nebraska. And I am the chairman of the Committee of Blind Vendors here in Nebraska; have been for the past four years. I'm also the president of the Nebraska Association of Blind Merchants, and we are supporting LB 55 because we certainly see this as a tool. Even though it's not a big change, it certainly is a tool that hopefully will get more blind people put to work. We currently have 19 vendors in our vending program across the state. And as Carlos Servan said, our program is one of the few programs that actually pretty much pays for itself. The vendors pay a 13 percent set-aside...that's 13 percent of what our income is...back to the program. That 13 percent then is able to catch federal funds at a 4 to 1 match. By doing that, what we make goes back to the program, but we do need, as much as we can, to try to increase that. We've been at a fairly stable level for the past several years. I've been in the program for ten years. I currently operate the cafeteria and the vending machines over here at the State Office Building, just two blocks up the road. So I would encourage any of you senators to come and visit our cafeteria in the basement and see what we're doing over there. This would allow us...right now I am at the maximum amount of employees; I have three employees. Two full-time...actually I have two full-time and two part-time, which comes up to the same level as the three full-time employees. If I were to want to expand, to add anything to my cafeteria, under this current law I really could not do that legally. So we do need this to be able to better afford more opportunities to persons that would like to work. Most blind people would like to work, but there is about a 70 percent unemployment rate now, and anything we

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can do to encourage more employment I think is a very big step. Any questions?

SENATOR SCHIMEK: Thank you, Mr. Hunt. Are there questions? Seeing none, we thank you very much for being with us today.

DAVID HUNT: Thank you.

SENATOR SCHIMEK: We appreciate it. Are there other proponents? Are there any who wish to testify in opposition to the bill? Any who wish to testify in a neutral capacity? Senator Foley waives closing. Thank you for being with us and that will conclude the hearing on LB 55. The next bill is LB 58 and Senator Mines is here to open.

LB 58

SENATOR MINES: (Exhibits 1 and 2) Chairman Schimek and members of the committee...

SENATOR SCHIMEK: Senator Foley...or Senator Mines.

SENATOR MINES: ...thank you so much. My name is, for the record, Mick Mines, M-i-n-e-s. I represent the 18th Legislative District and I'm the primary introducer for LB 58. This is not a difficult bill to understand. What I propose is that the Governor of the state of Nebraska be the only person that can proclaim or recognize a holiday for state employees. Currently, statute also recognizes the President of the United States for that purpose. The bill would eliminate from statute the recognition of holiday proclamations by the President. I believe the responsibility of granting Nebraska employees the day off should be in the hands of the Governor, not the President. Recent examples of days off by proclamation of the President include: the day of former President Reagan's funeral in 2004; as well as 2003, President Bush declared the day after Christmas a holiday, which was a Friday and it made for a long weekend. My reasons for bringing the bill are twofold, basically both affiliated with the cost of these proclamations. First, and very important, is loss of productivity whenever an additional holiday is recognized, and then secondly, the cost of additional time for employees

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that are 24/7 employees and the state then must pay time and a half in wages for them to cover that period of time. And examples of these 24/7 responsibilities are the State Patrol, Corrections, HHS, medical facilities, veterans' homes, Games and Parks, et cetera. The Legislative Fiscal Office provided us with some numbers, and please note the information I'm going to pass out shouldn't be considered your fiscal note. It's broken down in a method that I'll explain. What we did...to take a look at the costs, both in lost productivity and overtime wages, we looked at the total number of full-time equivalent state employees, and that's 16,505, and we looked at the...we multiplied that by the hourly rate and took a typical 8-hour workday. This brings us to about \$3.1 million per day for each additional day off, and those exact numbers are in that handout. What the Fiscal Office then estimated was, of \$3.1 million, how much comes from our general fund, how much is paid by our general fund. They estimate that about 55 percent of the funding source is from our general fund; 27 percent is from cash funds; 13 percent from federal funds; and 5 percent from the revolving funds. So if we look at just general fund impact, a day off, 55 percent of \$3.1 million is \$1.7 million for each day that is given in holidays. The dollar figure doesn't take into account the loss mentioned in lost productivity and the work does not get done by state employees in the event of an additional holiday. I've been asked to offer another amendment that would also exclude the Governor in statute from allowing an additional day off by proclamation, and I will introduce that amendment, as well. Again, just in a very capsule form, if state employees are allowed the day off, I feel it should be the Governor of the state of Nebraska, not the President that does so. And the fiscal impact of the implication in the last two times the President of the United States allowed or gave federal employees the day off, thus triggering the state's day off, cost the citizens of Nebraska a total of \$6.2 million, and if you just want to take it down to the general fund level at \$1.7 million each incident, that's \$3.4 million in the last...in that one-year period that it cost the state of Nebraska. I feel the Governor has that responsibility; the Governor should be the only one that allows state employees the day off; and I'm offering an amendment from another source that would eliminate the Governor from giving the day off, as well. I

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would ask you to consider the bill and entertain any questions. Thank you.

SENATOR SCHIMEK: Thank you, Senator Mines. Are there questions? Yes, Senator.

SENATOR LANGEMEIER: Thank you, Chair. Right now, county governments make that decision from county to county? They don't fall under that same jurisdiction, is that correct?

SENATOR MINES: That is correct.

SENATOR SCHIMEK: Yes, Senator Wehrbein.

SENATOR WEHRBEIN: I'm not sure I understood about eliminating the Governor. I guess I'm not catching the amendment.

SENATOR MINES: Senator, that's not my amendment. I'm offering it as a friendly amendment and I believe it's to keep the Governor out of the hot seat, as well.

SENATOR WEHRBEIN: Well, so who would do it?

SENATOR MINES: No one would do it. There would be no days off.

SENATOR WEHRBEIN: No provision.

SENATOR MINES: No provision for extra days off for state employees.

SENATOR WEHRBEIN: (Inaudible) by a statutory...oh, that we have in...

SENATOR MINES: That's correct.

SENATOR WEHRBEIN: Okay, I understand. Thank you.

SENATOR SCHIMEK: So, Senator Mines, if something catastrophic happened and we wanted everybody to have the day off that day, there would be no way to do it with this amendment.

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SENATOR MINES: I can't argue that, Senator. This, again, it's not my amendment.

SENATOR SCHIMEK: And this is a friendly amendment?

SENATOR MINES: I'm offering it in a friendly fashion.

SENATOR SCHIMEK: Thank you.

SENATOR MINES: Thank you.

SENATOR SCHIMEK: Are there any other questions? Seeing none, thank you for being with us.

SENATOR MINES: Thank you. I'll waive closing.

SENATOR SCHIMEK: All right. Are there proponents of the bill? Any who would be in favor of the bill? Are there opponents of the bill?

ROBERT CORNER: Madam Chair, members of the committee, my name is Robert Corner, C-o-r-n-e-r. I'm a state employee and have been for 28 years. In deference to your report about flood control, I guess I'm in a mine field, (laughter), and I don't mean to be critical here, Senator, but... I was on our bargaining team. We just completed bargaining. I find it ironic that if the Governor really wanted this bill, that he probably should have had somebody here to testify in favor of it. Now, under the Collective Bargaining Act, there are some mandatory subjects of bargaining, and they happen to be wages and benefits. This is a benefit. We did not hear one iota from management about this...(recorder malfunction)...agreed to drop Wyoming and include Oklahoma this year. I'm not going to get into reasons why, but that's what happened. So of the states that touch Nebraska, I'm talking Missouri, Kansas, Colorado, South Dakota, and Iowa. Of those five states, four of them have the President do this. Oklahoma, who does not touch it, the President also has that authority in that state. The only state that's different is Kansas, and Kansas is only different because those state employees, it is a holiday either the day before or the day after Christmas anyway. There are 16 states that I've found on the Internet last night that they get either the day before or the day

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after Christmas off automatically; that's a holiday for them. So that leaves 34 other states. I just told you about five of them I looked up. Counting Nebraska, I looked up 17 of them. I didn't have time to look up all 34; I looked up 17. Of those 17, 15 of them gave authority to the President, two of them gave it to the Governor. So if you want to look at percentages, that's 88 percent that says the President has this authority in those states. You brought up the point that, you know, there's a lot of productivity that's gone if that day is declared as a holiday. I can tell you because I've worked many Christmas Eve and the day after Christmas when we did not get it off or the President didn't declare a holiday. I worked in the Department of Motor Vehicles. In our divisions we don't have a central switchboard, so if what we have, we call dump calls, that means every call that comes into the Department of Motor Vehicles, one division, one week, gets everyone of those calls. I was there the week we had dump calls during Christmas. On Christmas Eve there were two of us in our division, myself and one other person. Normally, a minimum I would say is 30 dump calls, maximum could be up to 60 or 70; that day we got zero. If you come here in one of these state office garages on the day before Christmas or the day after Christmas, you can park on the first floor anywhere you want because there's hardly anybody in the building. And I have yet, and we have walk-in traffic in our division; that day nobody walked in to do any business. So I'm saying is, as far as productivity, there's not much being done those days, number one, because you're not getting any phone calls or you're not having walk-ins. Plus, if the President calls a federal holiday, that means there's no mail service that day. A lot of agencies depend on the mail for a lot of their business. If and when the President declares it, normally he does that two or three days in advance, so as a state employee, I or the membership of NAPE/AFSCME, NAPE is the Nebraska Association of Public Employees, 11,000 of us that...we have time to plan if we want to schedule a trip somewhere or to change a plane schedule or a bus schedule, or even just to drive, you can go early and you know; you can plan for it. Now if you leave it up to the Governor and say he waits a day or two days before a decision is made, that would eliminate a lot of those possibilities. So Christmas time is usually the ultimate family holiday, for, I think, all Nebraskans, not just state employees. But what

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is the dollar value for that extra quality time spent with one's family, or what is that dollar value that would allow state employees a safer time frame in which maybe to travel to a relative's, another state, somewhere else in the state of Nebraska, but a ways from Lincoln. So, to us, you know, I know the title says recognition of holiday proclamation. I guess as a state employee and for NAPE we see this as maybe more as nonrecognition of state employees. We would hope and we encourage you not to pass this bill and not to pass the friendly amendment. I was going to bring up and ask the same question that you did, Madam Chair, is if some disaster occurred here, how would you ever declare a holiday if that happened, if there was nobody that could do it? But again, I encourage you not to pass this bill. I would be happy to answer any questions that I can.

SENATOR SCHIMEK: Thank you, Mr. Corner. Are there questions? Seeing none, thank you very much for being with us today,...

ROBERT CORNER: Thank you.

SENATOR SCHIMEK: ...we appreciate it. I'll ask one other time, is there anyone else in opposition to the bill? Any in a neutral capacity? Seeing none, Senator Mines has waived closing and we will hear from Senator Landis. This is LB 167.

LB 167

SENATOR LANDIS: (Exhibit 1) Thank you, Madam Chair, members of the Government Committee. David Landis, principal introducer of LB 167 and here today representing the "Garden District." I represent this on behalf of the Historical Society, although I must say that in the previous version Senator Schimek was the chief introducer. This is for the creation of a Nebraska archaeologist inside the State Historical Society and to adopt the Nebraska Archaeological Resources Preservation Act. There are a number of definitions and purposes in the act. This would be an interesting hypothetical. We have valuable archaeological sites--Native American culture, for example, found on public lands. Let us imagine that in a relatively

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newly discovered site, somebody came on the site, stole artifacts, sold them, and were, say, they're caught. They would have trespassed; they would have committed a criminal penalty; but one question might be, what happens to the \$3,000 of ill-gotten gains that they have? The answer to that, among any number of other questions, lies in LB 167. By the way, the answer to that question is that all articles and materials illegally taken and all money and materials derived from the sale or trade of the same, meaning these stolen articles, shall be forfeited to the state. We get the value back; it would come back to us. Why would we want a state archaeologist inside the Nebraska State Historical Society? Because we would want to maintain a master list of sites around the state. Number two, because agencies who come in to contact with one of these sites, let's say they're building a building and all of a sudden in the digging of...for a parking lot or whatever, come across a genuinely valuable archaeological site and doesn't know what to do with it. And, in fact, the state archaeologist would be able to assist them in coming up with a plan to mitigate effects if at all possible. The place that already has a history of doing this is the Roads Department. Roads departments have, not just state, they have federal obligations to do this, and so long, by the way, as our Roads Department maintains their status as somebody who's carrying out their federal obligations, that would serve to harmonize with this bill. And the reason is that the federal obligations for highway construction is as high or higher than what we might contemplate under LB 167. The idea came to me from a conversation I had with Peter Bleed, but it also comes from my relationship with the State Historical Society in the past, and I've introduced the measure on their behalf. There is an amendment that I would suggest to the committee after some consultation. This bill does say, in Section 11, it's the intent of the Legislature that the state archaeology office accept other funds, grants, or money for its operation and administration of the office, and shall not require general funds for such operation and administration. In a conversation earlier today with representatives of the Historical Society, they, in fact, would like to have access to their general fund appropriation so that if they want to, they could use some of their money to fund the operation of the archaeology office. So, since I heard that story from them, I suggested

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to them this language, and that is of the State Historical Society may use..."may;" doesn't have to...may use existing general fund appropriations. It's not a new appropriation; it's what they're already getting. But if they want to, they may use their appropriation not just willy-nilly, but, in fact, to match other funds, grants, or money raised to carry out the Nebraska Archaeological Resources Preservation Act. And the reason is, my goal would be for the Society to go out, in an outreach program and define partners and grants and foundation money to do this function. And rather than just make it immediately a state function that we then take state resources, I'm challenging the Society to, in fact, look, if you want to use your money, that's okay, but do it on a matching basis with money you got from someplace else to do this function. Otherwise, we're simply stretching already limited resources against any even broader panorama, which is why I would offer this amendment. I think the Historical Society can justify and explain their purposes far more clearly than I can, but I certainly would answer questions as to the intent of LB 167.

SENATOR SCHIMEK: Thank you, Senator Landis. Are there questions?

SENATOR LANDIS: Um-hum.

SENATOR SCHIMEK: I have one, and I'm trying to recall why we didn't advance this from committee, and I think it was the fiscal note more than anything else. And has the fiscal amount been lowered considerably?

SENATOR LANDIS: There will not be a fiscal note.

SENATOR SCHIMEK: Well, there's...

SENATOR LANDIS: Understand what it says, there is no fiscal note because the bill says right now it is the intention that there not be an appropriation, okay. But the amendment says, look, there isn't to be an A bill; there's not to be an appropriation. If you want to take your existing money and include this, you can, but even if you wanted to do that, you'd have to match it with some money from outside the Society. One of the reasons is that there is for example, a State Historical Foundation; they do raise money;

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they're out there. I just think that if you can draw those resources in, and we need as many people to partner on this goal as possible. There is no A bill, there would not be an A bill, because there would not be an appropriation for this process.

SENATOR SCHIMEK: Okay, I'm just looking at this fiscal note here, and it mentions, yeah...

SENATOR LANDIS: I'm sorry, the A bill there, yeah.

SENATOR SCHIMEK: ...it mentions the Attorney General's Office wants \$14,625 in general funds. And I think that may...is that the only one that it mentions that's not cash funds?

SENATOR LANDIS: I intend not to offer an A bill. I intend for the Attorney General's to eat that function.

SENATOR SCHIMEK: (Laugh) Okay. Thank you.

SENATOR LANDIS: It's their job to look at state contracts; they don't need more money to do it. No A bill is required.

SENATOR SCHIMEK: Thank you, Senator Landis. Any other questions? Seeing none, thank you for being with us today. And did you wish to waive closing, or are you going to hang around?

SENATOR LANDIS: Well, I'll go back...

SENATOR SCHIMEK: Do your revenue thing?

SENATOR LANDIS: ...and do that thing.

SENATOR SCHIMEK: Okay. Thanks. Are there proponents of the bill? Please come forward.

ROB BOZELL: (Exhibit 2) My name is Rob Bozell, that's B-o-z-e-l-l, I live at 4411 California Street, in Omaha, Nebraska. Thank you, Senator Schimek and members of the committee, I'm an associate director for the Nebraska State Historical Society in charge of the archaeology programs here. I wanted to just briefly explain what LB 167 will

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accomplish, how it will work, and who will be affected and who won't be affected. There are four major objectives. LB 167 accomplishes four things, one is to salvage the archaeology office within our agency. My office is essentially doing a lot of duties that are defined here but they're not really established by law; we're just sort of doing them as we can do them. As Senator Landis mentioned, most the work we do is for the Department of Roads. We have six archaeologists who work exclusively with the Department of Roads, including myself. So when we do work for other state agencies it's kind of on a temporary basis, a voluntary basis. The second goal is to promote archaeological research and preservation, as well as develop educational opportunities showcasing Nebraska's rich heritage. Three, establish a coordination process between the state archaeology office and other state agencies whereby extraordinarily significant and well-preserved archaeological sites can be studied prior to damage from construction of state or state-assisted undertakings. And finally, four, create misdemeanor penalties for persons who willfully damage archaeological remains on public land or private land without the permission of the property owner. I want to focus my comments on obligations of the state agencies. This bill would require state agencies only to notify the state archaeology office of proposed undertakings as part of the planning process. It would then be the responsibility of the state archaeology office to conduct necessary background research and field inspections of the project to locate archaeological sites and determine if any are of such caliber that would be eligible for the National Register of Historic Places. And the criteria for the inclusion of a site on the National Register of Historic Places was developed by the Park Service and Department of Interior, and these guidelines are clear and they're very conservative. Only sites that are remarkably well preserved and contain remains that offer the potential to make major strides in our understanding about the past are eligible for this elite listing of sites. Today, in Nebraska, we have about 8,000 recorded archaeological sites around the state. Of those, only 4 percent have been judged to meet these criterias eligible for the National Register. And it's only those caliber of sites which we would want to do any work on, on a state-funded project, like, you know, in development of a state park and that kind of thing, if they

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run across a site, those are the only type sites that we would want to do any kind of investigation of. If the National Register-eligible site will be impacted by a state undertaking, again through consultation with the state archaeology office, the responsible agency will see that it's either avoided or provide the state archaeology office an opportunity to conduct excavations at the site to recover a sample or a portion of the remains. The agencies are only required to coordinate with and inform the archaeology office, but the state archaeology office funds all the field work, laboratory analysis, and report preparations. So there would be no funding that would have to be provided by other than other state agencies. A couple of examples that have come up in the past where I think this bill would have addressed, just as a kind to show you how this would work. The Game and Parks Commission recently constructed an 1880's cavalry barracks at Fort Robinson, and Fort Robinson is a National Historic landmark. Construction of the barracks did cause some damage to archaeological features such as buried foundations, cellars, and refuse pits. Funding was not appropriated to investigate these remains prior to construction. Nevertheless, the Society, the Game and Parks Commission, and the University of Nebraska did work together and devised a plan for some minimal, partial excavations several years ago, using students and a cadre of volunteers. Had a state archaeology office been in place, the extent of the investigations would certainly have been more comprehensive. The second example, I'm not sure what's the status of this is anymore, but several years ago the Board of Educational Lands and Funds was directed by Legislature to transfer many of their tracts into private ownership. Is that still ongoing? I don't know. And I had talked to their director off and on the last few years. Again, neither the Society nor the board have any funding to even record the locations of probably hundreds of archaeological sites, on these tracts prior to sale, much less investigate any that might be National Register-eligible, and we simply...we're informed about these transfers, but we haven't had a chance to really do much about it. With the procedure proposed in LB 167, the state archaeology office would have the opportunity to inspect at least some of these parcels prior to sale. And I want to also briefly take this opportunity to address how LB 167 affects private property owners, which has been a concern in the last few times we've

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introduced this. The bill specifically states the law will not abridge the rights of property owners and in no case shall a private property owner be required to pay for activities undertaken by the state archaeology office. Landowners or developers are not even required to coordinate with the state archaeology office about modifications to their property, unless they choose to, or if human burials are discovered, and those circumstances are covered under an existing statute passed in 1989. We have worked productively with Nebraska State Home Builders Association on previous versions of this bill; we've worked with other developers on a voluntary basis and look forward to any discussions that they may have about concerns about this bill. Archaeological sites in Nebraska are dwindling at an alarming rate, and LB 167 is a small but important step in recovering important information before it's lost. The bill will result in a sharp increase in understanding Nebraska's rich heritage and help preserve vital information for future generations of archaeologists; more important for students and all members of society concerned with the past. The bill has the added advantage of accomplishing these goals without infringing on the rights of private landowners or blocking economic or social progress. And if I have time for any questions, if you have any?

SENATOR SCHIMEK: Any questions? Yes, Senator Wehrbein and then Senator Fischer.

SENATOR WEHRBEIN: Is it accurate to say that there is absolutely no impact on a private landowner?

ROB BOZELL: What I read was what we put in, I think, the last time when you introduced it. That would not abridge the rights of private properties; the only the case is on human burials. Now that's...if so if someone...

SENATOR WEHRBEIN: As a private landowner do I have an obligation to report that now?

ROB BOZELL: Burials you do.

SENATOR WEHRBEIN: If I would come across...

ROB BOZELL: Yeah.

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SENATOR WEHRBEIN: ...something that...say, it has been in my field for years and now all of a sudden, I have to report that by law.

ROB BOZELL: You know, what you have to report is if human remains are inadvertently unearthed in farming or construction operations, the 1989 law requires that you stop and contact law enforcement, make sure it's not a homicide, and then contact us and the Indian Commission, and we deal with it in terms of removing it and then getting it back to the proper tribe or remains. But that's been on the books since '89. Now, if you...let's say, for instance, if you have a burial mound or you know where there are burials or a pioneer cemetery on your land, you don't have to do anything. Again, it's just if remains are inadvertently unearthed during construction.

SENATOR WEHRBEIN: Okay, yeah. Does this cover a private pioneer cemetery?

ROB BOZELL: This law, really, no, it does not.

SENATOR WEHRBEIN: I mean, yeah, I know you'd want to recognize that...

ROB BOZELL: Um-hum.

SENATOR WEHRBEIN: ...but it wouldn't fall under this particular law.

ROB BOZELL: No, not this law. No, this really just deals with construction undertakings by state agencies, primarily Game and Parks Commission, other agencies are doing some kind of construction, you know. Again, as Senator Landis mentioned, Department of Roads does have an exclusion here because they've been doing this voluntarily since 1959 I think.

SENATOR WEHRBEIN: Thank you.

ROB BOZELL: Yeah, yeah. Any questions?

SENATOR SCHIMEK: Yes, Senator Fischer.

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SENATOR FISCHER: The Department of Roads...I'm from Valentine, sir...and when the Department of Roads was building the new bridge...

ROB BOZELL: Um-hum, um-hum.

SENATOR FISCHER: ...over the Niobrara, there was a site that was, I think excavated...

ROB BOZELL: Yeah, a couple years. Um-hum, yeah.

SENATOR FISCHER: ...for quite a period of time there. Dr. Voorhies, was that correct?

ROB BOZELL: Right, um-hum.

SENATOR FISCHER: How do you determine what sites you're going to really focus on?

ROB BOZELL: Um-hum.

SENATOR FISCHER: You said, only 4 percent?

ROB BOZELL: Yeah, about 4 percent. There is criteria there established by the Department of Interior, and as I mentioned they have to...the site has to be very well preserved. Most sites are not. They've been eroded; they've been terraced; they've already been damaged by construction. There's really very few that are intact; you know, they're buried, they're sealed. Plus they also have to have the information potential to make a contribution, you know, and not every site...you know, many sites are just small, temporary, ephemeral hunting camps, that kind of stuff. But when we're dealing with things like a village that was occupied for 20 or 30 years, or a fort, or a fur trading post, that kind of thing. Now the thing at Valentine was actually a paleontological site. The Department of Roads has two programs, highway archaeology and paleontology, and Mike does all the paleontology. But yeah, and I think Dr. Voorhies applies the same kind of criteria. There are fossils all over the state. But at the Valentine quarry and a few others that they've worked at, they're internationally and nationally significant size with

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well-preserved fossils and that kind of thing, so we do have to decide and really pick and choose.

SENATOR FISCHER: Okay. Did I also hear you say that possibly out of that 4 percent, then you would examine if it should be a state park?

ROB BOZELL: No. What I was...I was giving an example of state parks as an example of the type of projects we would deal with. Like if they're going to build a new state park or expand a state park or develop, put in roads or latrines or camping pads or boat docks, then this law would require the Game Commission to contact us and say, hey, we're going to put in these boat docks; come and take a look. Establishing a state park around a site is not one of these provisions, just an example I was using...

SENATOR FISCHER: Thank you for clarifying that.

ROB BOZELL: ...of the type of projects that this would come under.

SENATOR FISCHER: You speak so quickly, I have a hard time following. Okay.

SENATOR MINES: You're from Valentine.

SENATOR FISCHER: I'm from Valentine. You have to speak slowly.

ROB BOZELL: I'm from Omaha; you're from Valentine. It's, you know...

SENATOR FISCHER: Also it's my understanding that there's...no money will go for the purchase of private property in obtaining any sites, according to this bill, is that correct?

ROB BOZELL: No, there's nothing in the bill that deals with the acquisition of sites.

SENATOR FISCHER: Thank you.

ROB BOZELL: Um-hum.

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SENATOR SCHIMEK: Good questions. Thank you.

ROB BOZELL: Any other questions? Thank you very much.

SENATOR SCHIMEK: Thank you for being with us.

ROB BOZELL: Do you need copies of this? I had not made copies. Do you want me to get some to your office?

SENATOR SCHIMEK: You might leave it with us...

ROB BOZELL: Okay, okay.

SENATOR SCHIMEK: ...and we can make copies for each member of the committee. If you would leave it with the page, please.

ROB BOZELL: Okay. Thank you so much.

SENATOR SCHIMEK: Thank you. Are there other proponents?

PETER BLEED: (Exhibit 3) Senator Schimek, legislators, my name is Peter Bleed. I brought copies of my report, of my comments, and I speak nice and slow because I'm not nearly as fast as Rob is. I'm Peter Bleed, B-l-e-e-d. I live at 1315 North 37th in Lincoln, Nebraska, and I am here representing myself but I've been an archaeologist in Lincoln, and in Nebraska, for an awful long time. And I've got some comments, but the major point I want to make is that this is a popular program. It is minimal. It is something we've worked for for a long time. It's a good program and it enjoys popular support. We're all very proud of Nebraska. We can be proud of our history; we've got an interesting history. And a little over...and an important part of that history is a history of appreciation and investigation of our own history. I came to Nebraska for the first time when I was 18. I took the train to Nebraska because this was the place you did archaeology in middle America. This was the top of the heap and I was incredibly proud. And then later on, 32 years ago, I was lucky enough to get a job at the great state university and I've been doing Nebraska archaeology since that time. The law that's in front of you is a product of a task force that the

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94th Legislature created; I was a member of that task force. We spent two years traveling around the state. I remember going to the bridge in Valentine actually and at that time, or the bridge to site, and meeting with people, and we heard a great deal about the destruction of. We heard poorly organized but sincere concern over the destruction of sites and the interest in archaeological materials that are distributed across our state. The purpose of LB 167 is pretty straightforward. It creates a very, very modest program. It comes out of that task force and it reflects this long history of popular interest. Many people are surprised to hear how many archaeologists there are in Nebraska. There are about 50, the number; I haven't counted them recently, but about 50 archaeologists who live and work in this state. Not a large number, but most people don't think there are any. That's a large number of archaeologists relative to most places. But interestingly, we still need a state archaeologist. All of us have another job, so that the job that is laid out in LB 167 is not currently assigned to anybody. There are an awful lot of people who could do it, who would do it. I think there are young students coming along who would see this as a great career and a great move, a great aspiration. But currently, the work, if it's done at all, is shared by individuals in a number of different agencies, primarily in the State Historical Society. I think creating this office would create efficiencies; it would routinize; it would codify; and it would focus the activities that are currently dispersed and sort of taken care of almost on a volunteer basis. I won't repeat everything that Rob says. I want to emphasize that this would only deal with public projects; this is not about state law. I'd say it would have an impact, Senator Wehrbein, on landowners, because they'd have some place to go; they'd know who to call. And a lot of times there are people who don't want to be interrupted, who don't want their private property abused, who don't want anybody to be involved. But there are an awful lot of people who are very curious and truly, truly concerned and have sincere interests in these things and want to see them preserved. This law will charge somebody with doing that. In that light, actually the law gives the state archaeologist relatively little more than the moral responsibility of doing the right thing for our state heritage, and it also gives the state archaeologist the

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hunting license to go out and find the money. That's a big responsibility, but I think the archaeological community is willing to accept it. Whenever I travel around the state, I like doing that. I run into people who are curious about the cultural resources in their area. There are people who are avocational archaeologists, amateur archaeologists. There are lots of teachers who would like to see curricula developed for their schools. There are community leaders who think that the local resources could contribute to the well-being and interest and aura of their places, and that a lot of native leaders who see, who really do appreciate that many of the things we're concerned about, are theirs. The state archaeologist would have to deal with all of those people; would be charged with dealing with all of those people. I'm sure that the public archaeology program, and all the other things that are going to be created, all the other activities that will go...that will be assigned to the office of the state archaeologist, will grow as people across the state realize how worthwhile they are. In sum, I think that LB 167 creates a modest program, but a very reasonable one that will meet with popular support, and I urge you to support the bill by moving it ahead. I'd try and answer any questions there might be.

SENATOR SCHIMEK: Thank you, Dr. Bleed.

PETER BLEED: Sure.

SENATOR SCHIMEK: Senator Langemeier.

SENATOR LANGEMEIER: Thank you, Senator. Dr. Bleed, two questions. Are other states have state archaeologists, and if so, how many? And number two, how would this position be filled? Would this become an appointee of the Governor or would this be part of the Historical Society fill this position, or what's the intent to fill this position?

PETER BLEED: Let's deal first with other states. We've tried periodically to find out how many. Usually...the numbers get...it depends on the definition of what is, is, but...it's pretty easy...if someone sends a letter to the state archaeologist of Nebraska, somebody opens it up, so that the Historical Society has...I believe it is true that every other state has...

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ROB BOZELL: I think there's two or three others that don't have a state archaeologist.

PETER BLEED: They are overwhelmingly common, and usually they are supported at a higher level. The number, let's say there are two that don't, but we're in a very, very small minority. My understanding of how this job would be filled is that it would be a position within the State Historical Society and would be filled according to their procedures and guidelines.

SENATOR LANGEMEIER: Thank you very much.

SENATOR SCHIMEK: Senator Wehrbein and then Senator Pahls.

SENATOR WEHRBEIN: Is Mr. Sommer going to testify?

LAWRENCE SOMMER: I wasn't planning on it, but I'd be happy to answer questions.

SENATOR WEHRBEIN: Okay. Well, if you, if...I'm going to ask him the question, but where do you anticipate the money coming from, from the grants and so forth? That's really my question? If you have more to say, you can but, Mr. Bleed.

PETER BLEED: Well, I...we don't know. That's daunting. Obviously that will be a problem. We are optimistic that this is a program...I'm sincere in saying that this is a program that I'm sure is going to find popular support. I sincerely hope...

SENATOR WEHRBEIN: That's what I...that's really what I was wondering. I mean it's (inaudible) getting your name on a building particularly, and I don't know if there are...are there federal grants in some areas. That's the kind of question. And if Mr. Sommer can come up in due time, when it is appropriate.

SENATOR SCHIMEK: Sure.

SENATOR WEHRBEIN: I just was interested that way.

PETER BLEED: There certainly would be...there would

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be...there are federal and we're all aware of federal money that might be available. That will be a challenge.

SENATOR SCHIMEK: We'll ask Mr. Sommer to come up in a minute. Senator Pahls had a question.

SENATOR PAHLS: I think I'm fine; it was answered.

SENATOR SCHIMEK: Oh, same thing. Any others? Seeing none, thank you very much for being with us.

PETER BLEED: Thanks much.

SENATOR SCHIMEK: And are there others who wish to testify in favor of the bill? Any who wish to testify in opposition to the bill? Then, Director Sommer, if you would come forward and answer Senator Wehrbein's questions. Are you a neutral, as well? Okay. Well, we'll go ahead with you, Larry.

LARRY SOMMER: Okay. Senator Schimek and members of the committee. Senator Wehrbein or, first of all, Senator Langemeier, in answer to your question, we would not create or fill a new position. The state archaeologist would simply be a designation given to an already existing archaeologist that we have, so there's no new staffing or positions that would be required on this either.

SENATOR LANGEMEIER: That was my understanding; thank you.

LARRY SOMMER: Right. Senator Wehrbein, we've found archaeology really is quite popular, and our intent would be to work through our foundation in seeking matching and other funds to carry out this program. And in recent years, when we have had special archaeology projects that go beyond the Department of Roads highway salvage program, we've found that it has been very easy to get people interested in funding these projects and we also find that it is very easy to attract volunteers to work on these special kinds of projects, and so we don't anticipate problems in finding money. But again, you know, it's going to be relatively modest; we're not going to be going out seeking millions of dollars or things like that, but. Archaeology is quite popular. When Rob and the staff a couple times a year

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sponsor volunteer opportunities, we get waiting lists of people wanting to become part of it, so. Does that answer your question, sir?

SENATOR WEHRBEIN: Thank you, yes, it does.

SENATOR SCHIMEK: Thank you. Neutral testimony.

TERRY KING: Yes. Senator Schimek, members of the committee, my name is Terry King, last name is K-i-n-g, and I'm a registered lobbyist for the Nebraska Chapter of Associated General Contractors of America; rather a long name. I am neutral on this bill because there has been such a long-term and a very good relationship between the Department of Roads and their requirements to report archaeological finds and the basic cooperation that's gone on between the contractors and the department and Dr. Voorhies, so that has worked very well. I have some question about some of the language in the bill as it's written. It refers to only state departments having to file notice of projects and give some kind of prior notice, but then when it gets into the penalty part it talks about public lands. And I guess I have a question about municipal projects and county projects and NRD projects, where you have an excavator or a grader on site. It also talks about penalties if archaeological resources are disturbed. And I think there certainly, you can conjure up all sorts of different situations in which archaeological resources could be disturbed. If you're putting in a large water line in a municipality, for instance, it'd be rare that you wouldn't unearth at least one 50-year-old bottle or something in the process, and I think archaeological resource is defined as that, something older than 50 years and it can be a glass bottle, and so forth. I think somehow there has to be broader definition of what an archaeological find is, or what is significant. Perhaps some definition or clarification of who the offending party is, whether it's the public owner or whether it's the contractor that is the prime contractor on site or whether it's the excavator operator that might be liable for or guilty of a Class I misdemeanor. I think there are things that can probably be worked out. I think it would be more appropriate if it were limited to state property and not all public property at this time, at least until some of those clarifications can

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be put into the bill. With that, I'd answer any questions that you might have.

SENATOR SCHIMEK: Seeing no questions, thank you for being with us today.

TERRY KING: You're welcome.

SENATOR SCHIMEK: Are there any others who wish to testify in a neutral capacity? Seeing none, Senator Landis has waived closing and that will conclude the hearing on the LB 167. And Senator Beutler is here to introduce LB 214.

SENATOR WEHRBEIN: Boy, that's a big stack of papers.

SENATOR SCHIMEK: Those aren't all for us, right?

SENATOR BEUTLER: They're gifts. I was fearful since I was the fourth bill you might be in a bad mood by now.

SENATOR SCHIMEK: Actually you're the fifth bill.

SENATOR BEUTLER: Tomorrow I get to be all the bills, I think.

SENATOR SCHIMEK: No, I get one of them tomorrow, don't I? Yes. Okay, Senator Beutler.

LB 214

SENATOR BEUTLER: (Exhibits 1-5) Senator Schimek, members of the Legislature, this is a bill to strengthen tourism in Nebraska, hopefully. As most of you are aware, tourism is already the third largest industry in Nebraska, and it is most valuable, of course, when it includes attractions that draw out not only our own citizens, but visitors from other states and from around the world, hopefully. Obviously, new money brought into Nebraska is most important, but it is also important, obviously, to also encourage Nebraskans to vacation in Nebraska. Tourism also represents, in my opinion, a much needed opportunity for rural Nebraska. In this area, again in my opinion, our country cousins have a natural advantage over their city cousins. Most of the

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sites of the greatest potential are in the countryside. Also, from a economic perspective, the need to develop new industries is greatest in the countryside. As gathering momentum for free trade agreements increasingly will strike down agricultural subsidies, the need for supplemental industries will accelerate in the rural areas. Tourism, I believe, has enormous possibilities. We now have a lodging tax at the state level which is focused on assisting tourism development. Most all of that state effort is focused on advertising and on promotion. At the local level you have a funding source in your lodging tax. Traditionally, until recently, that has been focused mostly on promotion and advertising. Recently, and for some time past in Omaha, they've used 2 percent of the lodging tax to also do site development and site attraction development. The missing piece, I think, is state financial assistance in the physical development and construction and promotion of specific tourism sites. As a matter of good, competitive, economic development policy, this piece should exist. If you look at what is being spent in Nebraska compared to other states on tourism development, you'll see we're not doing very well. The question is whether the approach should be broad and shallow, trying to help all potential sites with a limited pool of money, or whether the effort should target, at least at the beginning, several sites that are most likely to draw out-of-state money. This latter approach, which focuses on a few sites, it is much more difficult, obviously, from a political point of view, however in my opinion it is much more sensible. Competition for the tourism dollars requires us to compete both nationally and internationally. We do not have the financial resources or the natural resources to compete nationally, much less internationally, unless we focus our efforts and concentrate our financial assistance. To that end, LB 214 does the following. It requires the Travel and Tourism Division of the Department of Economic Development to conduct a study to identify two to five existing or potential tourism sites that have the greatest potential to attract visitors from out of state. That is the main, central criteria. The process by which they conduct these studies, they're given broad latitude. I would hope it would involve such things as focus groups around the country, involving local people around the state, involving experts from around the country, really taking a look at

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where we have our best shot at attracting money from outside the country to bring people into the state. After they've gone through this process and chosen some sites to recommend, they would make a report to the Legislature. The Legislature then would take into account the report and approve the sites through its normal processes. And no money would be...none of these projects that would be picked would be eligible for funding until they were approved by the Legislature. The only exception to that is that this bill has actually set out two sites that are immediately picked as sites for tourism development. One is the Omaha Riverfront District, and the second one is the Niobrara Federal National Scenic River corridor. For different reasons, both of these are clearly potential big draws for out-of-state visitors. Next, once approved as what I call "Nebraska Treasures," by the Legislature, local advisory boards are set up representing a cross section of interests and perspectives around, in the area of each prospective site. The Department of Economic Development, however, is ultimately responsible for the development plan for each treasure, but only after the local committee has made its recommendations. The Legislature appropriates the funds for the development, and the funds can be used for a very broad number of purposes. I intend to include all reasonable measures that might enhance the site, improve access to the site, or make known the site. No ongoing operating costs are allowed, however, and no department costs are allowed except minimal administrative costs. There will obviously be substantial administrative costs at the beginning when they're going through this process of studying the sites across the state. The department would be allowed to allocate funds as among the Nebraska Treasures as it sees fit, with the idea of maximizing the amount of out-of-state tourist dollars. A \$500,000 initial appropriation is suggested for each of the first two years of the program, but for the benefit of the freshmen here, there would be an A bill that would be attached to the bill, and you can appropriate whatever...the Legislature will appropriate whatever amount it sees fit. I have had one meeting with people who would have a natural interest in this kind of thing. They suggested that the process, after a period of time, ought to be open to include additional sites in the program, and so I would propose to give counsel an amendment that would do exactly that, and would open up the program to

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additional sites at a later point in time. But again, the main objective is to see if something can be done at the state level, assisting the local level, but focused so that we maximize our efforts to gain whatever economic advantage we can out of this process. I might also indicate that the idea of a site has different meanings in different peoples' minds, and I've left that definition very broad for the department. By virtue of the two examples I put in the bill, I wanted people to understand that it could be not just one building, but it might be an area like the riverfront area in Omaha, or like the scenic river area in the Niobrara country, or it might just be a single building in a small site, like the archway project. I want the Department of Economic Development to think creatively about this, about what can be created with a little extra money put into the area. We put an awful lot of money into economic development, we're going to put more into it this year in the manufacturing area, but in the end and in the long run, tourism may be our best bet given the competitive situations that are likely to develop in the future. Manufacturing is going to be flat in this country in all probability, and we need to reach out to a variety of interests that might help us. Most of you are probably not much interested in the Lincoln Chamber of Commerce's support, but I'm grateful for it, and I'm especially grateful for it because neither of the projects that happened to be mentioned in the bill were Lincoln projects, so I thought that was a little reaching out on their part, which I appreciated.

SENATOR SCHIMEK: Thank you, Senator Beutler.

SENATOR BEUTLER: Okay.

SENATOR SCHIMEK: Senator Wehrbein has a question.

SENATOR WEHRBEIN: To be fair, Senator Beutler, these are not my questions, but I've heard some conjecture in my district about what I'm asking you, so don't...

SENATOR BEUTLER: Sure.

SENATOR WEHRBEIN: I take you, at what you're doing here, at face value, and I think it's a good idea,...

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SENATOR BEUTLER: Okay.

SENATOR WEHRBEIN: ...notwithstanding the half a million dollars, perhaps, but (laughs). But, and maybe it's unfortunate you chose water projects. You're not interested in preserving water in this case; this is not a water preservation...

SENATOR BEUTLER: No, the Niobrara country, as you know, Senator, is not one of the areas that's a problem.

SENATOR WEHRBEIN: Okay. Well, I just wanted to spell that, because there's some questions raised that these are it's a preservation of water projects or it might expand beyond...

SENATOR BEUTLER: It has absolutely nothing to do with water whatsoever, and I'm not sure what the connection is that's looked, that's perceived.

SENATOR WEHRBEIN: Well, I think it's...I don't know myself, it came secondhand, but I assume that it's something like the Niobrara River area which is, isn't there a federal...?

SENATOR BEUTLER: Well, let me clarify this, if this might be what is being spoken of. It doesn't have to do with water, but there may be places where, for example, conservation, grasslands, easements, that kind of thing, may be appropriate to the development of a particular tourist site. Part of the program in the Niobrara area is to try to obtain conservation easements, for example, in order to preserve the pristine nature so that you can have a wild and scenic river; that's the whole point of it, so.

SENATOR WEHRBEIN: Okay, and that could be on the Loup or the Dismal or others, eventually, I suppose.

SENATOR BEUTLER: Well, it could be, but it doesn't have anything to do with water rights, or such...

SENATOR WEHRBEIN: Okay. Well,...

SENATOR BEUTLER: And nor is it in any way limited to that. What I tried to do is leave it wide open to whatever may

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need to be acquired or purchased or built-up or developed that is relevant to that kind of site, and anticipating that there may be many different kind of sites, you know, a natural site like the Niobrara or maybe like Fort Robinson or something like that. On the other hand, you're going to have the Omaha Riverfront, which is, of course, totally urban, but nothing to do with water as such.

SENATOR WEHRBEIN: But would this...that leads me to my next question. Would you foresee, and I know we can't bind anybody in the future, but eminent use of eminent domain or condemnation?

SENATOR BEUTLER: No. And if you want to put something in there on that, you can do that, but this...

SENATOR WEHRBEIN: You foresee it being voluntary.

SENATOR BEUTLER: ...this doesn't extend any eminent domain rights to anybody.

SENATOR WEHRBEIN: Well, I didn't see that it does, except, reasonably designed to enhance the site. I mean, it looked like it was voluntary, but it's not clear. And I may consider that. I just...

SENATOR BEUTLER: Oh, absolutely. If you think there is...I don't think there's any legal basis for eminent domain in here, but if you do, and if you think a significant number of people would be more comfortable with it that way, I'd certainly put it in.

SENATOR WEHRBEIN: Well, the question was raised, and I heard it in the district yesterday, and I just wanted to clarify it because I take it at what it is here, and I appreciate that. I think where it appears you're heading, I'm comfortable with, but there's always other people reading other things into it, and so I just wanted to clarify it. Thank you.

SENATOR BEUTLER: Yeah. Okay, fair enough.

SENATOR BROWN: Are there any other questions?
Senator Fischer.

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SENATOR FISCHER: Senator Beutler, I'd like to thank you for pointing out to everyone that the Niobrara River is a Nebraska treasure, because I agree with you on that. That's in District 43, by the way. I served for 14 years on the Cherry County Visitor Promotion Committee, and our objective was to promote our area to get tourists there. We advised the commissioners on how the lodging tax dollars should be used, and it was to promote Cherry County. I visited with some outfitters two weeks ago, and they said the numbers are down on people going down the river; that they have seen a tremendous drop in the last couple of years and they forecast that that's going to continue. I'm wondering how did you determine that the Niobrara River would be a draw for out-of-state tourists? Did you have any information on that, because the information we have within Cherry County with the tourism industry is that we have more in-state tourists than out-of-state tourists, and even that is dropping, especially on the river.

SENATOR BEUTLER: Um-hum. I have no figures, Senator. National parks, national scenic river areas, generally speaking in the country, have been big draws for people. I know that the publicity surrounding the Niobrara and the bike trail up there now that's developing, it's just a matter of my judgment, I guess, would be the most honest answer for you.

SENATOR FISCHER: Thank you.

SENATOR BEUTLER: Um-hum.

SENATOR BROWN: Further questions?

SENATOR PAHLS: Yeah, I have one. I truly believe that this is our future, the tourists, because of the amount of money that we could bring back with that initial cost, and I think there are parts of the state of Nebraska that many people haven't seen the need to see. I mean, I think this is an answer.

SENATOR BEUTLER: Absolutely. That Niobrara country is truly beautiful.

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SENATOR PAHLS: Fort Robinson and the Sandhills; beautiful.
I think it's a...

SENATOR BEUTLER: Well, I think you all understand that I have put these two things in, exercising my own judgment. If you feel that it's, that somehow that's unfair or if you feel that the judgment may not be a judgment that would be exercised by everybody, you have the alternative of, and I would prepare the amendment for you, to take the two out and do the study without giving advantage if that's perceived as advantage to two of them. But I'd prefer you not do that.

SENATOR SCHIMEK: Okay. Thank you, Senator Beutler.

SENATOR BEUTLER: Thank you.

SENATOR SCHIMEK: We will now take proponents of the bill. Any wishing to testify in favor, please come forward.

DAVE SANDS: (Exhibit 6) Good afternoon, Senator Schimek, members of the committee. My name is Dave Sands; I'm the executive director of the Nebraska Land Trust and I'm also a board member of the Niobrara Council, although I am not officially representing the Niobrara Council today on this bill, simply because we haven't had time to vote one way or another on it. The rationale behind this bill is absolutely correct. Nebraska does have treasures that are unique to our region, our country, and even our planet. On repeated occasions I've had the opportunity to observe reactions of visitors from New York to California as they were awed by the largest gathering of cranes on Earth, or drove through the Sandhills and marveled at the largest and best conserved prairie ecosystem in America. I have escorted a fortunate few into the Niobrara River Valley, and in all cases there was a common response: I had no idea Nebraska was so beautiful. Clearly our state holds untapped potential for tourism, from the Omaha Riverfront to Scottsbluff. This bill argues that an increased effort is needed to realize this potential, and that the state should help. When one considers our state's low ranking in dollars spent on tourism, it is hard not to agree. The Legislature has made significant, well-funded efforts to stimulate our state's top two industries, agriculture and manufacturing. The third earner of revenue from outside the state is tourism,

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where a relatively modest increase in funding could yield large returns. LB 214 proposes to enhance these returns by focusing available funds on those areas or regions that have the greatest potential to attract out-of-state visitors. From our standpoint, the bill has correctly identified the Niobrara National Scenic River as one Nebraska treasure, which certainly seems appropriate since the United States Congress has designated it as a national treasure. We also appreciate the recognition that in some cases less is more when it comes to tourism. While the bill directs much needed funds to capital projects and marketing, it also allows for the use of funds to protect the landscapes that people come to see. On the Niobrara, the landscape is largely protected by private landowners involved in ranching, so keeping that land in ranching is our best hope for future protection as well. In a sense, our scenic landscapes and wildlife are the ultimate renewable resource, with great potential to attract visitors year after year. However, beautiful landscapes are not immune from degradation, as anyone on the Colorado Front Range can tell you. The purchase of development rights can provide a win-win solution for private landowners who might otherwise be tempted to sell for development. On the Niobrara, as in Colorado, this can also mean keeping land in ranching instead of "ranchettes." This is why voluntary land preservation agreements, known as conservation easements, have become the centerpiece of the Niobrara Council's land protection strategy to preserve the scenery and wildlife that nearly 100,000 people a year come to see. We are pleased to see that it might be possible to obtain grant funds for this purpose through this bill. However, we would suggest that the enabling language in the bill be amended to clarify the intent. LB 214 currently says that "funds may be used for the acquisition of land or other property rights." We suggest that this should be changed to, "funds may be used for the purchase of land in fee title from willing sellers, or for the purchase of conservation easements from willing sellers by a qualified organization." Others will no doubt offer their own suggestions for improvements, but at this point I would ask you to focus on the concept rather than details. If you agree with the concept, I have no idea the creative minds can get together and refine the particulars. Although we need is a vehicle that can get us to where we need to go, and we encourage you

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to provide that vehicle through LB 214. Thank you and I'd be happy to try to answer any questions.

SENATOR SCHIMEK: Thank you, Mr. Sands. Are there any questions? Seeing none, thank you for being with us today; we appreciate it. Are there others who wish to testify in favor of the bill? Any? Now, are you in favor of? Oh, okay. Please come forward, both of you. Don't be so shy.

DANA MARKEL: Senator Schimek, members of the committee, I'm Dana Markel, with the Greater Omaha Convention and Visitors Bureau, and I'm here to say on behalf of Omaha, we do consider any investment into Nebraska's treasures investment for the state is a benefit to all of us, all of the cities. We have some magnificent treasures in our state that many of our state citizens have spent tireless efforts, dollars, and time. And we thank you for your interest in protecting and promoting these attractions. Three weeks ago, I had the fortune of being in Honolulu, and as I was checking my bags in to come back to Nebraska and gave my ticket information, the airline clerk said, oh, Nebraska, home of Henry Doorly Zoo, and I was quite amazed and quite surprised that she connected Henry Doorly Zoo, our treasure, with Nebraska and Omaha. I asked her how she did that. Well, she's on a mission to visit every state in the United States. But why I was surprised is, I don't hear that response very often. With the activity in Omaha of the new development, our mission of our bureau has changed. We have a task of going out and really sharing with the rest of the country, the rest of the world, what is going on in Omaha and in Nebraska. And quite honestly, people don't know. Last August, the mayor brought in a national expert to come in and explain to us where we stand competitively with the rest of the country. And she quite frankly shared that we are severely underfunded, just as the state of Nebraska is. In fact, she said that the state of Nebraska is underfunded by, minimally by 50 percent. So our issue here is, we know that we have the treasures; we just don't have the resources to tell the rest of the world about that. That's why we are in support of this bill and appreciate your time and interest in passing this through.

SENATOR SCHIMEK: Thank you. Are there questions? I just have a comment I might have. I know someone who came in

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from the Council of State Governments on a tour of Omaha, which is going to be a future meeting site, and she was bowled over. She thought Omaha was fantastic. And like you said, she had no idea; she was from Kentucky.

DANA MARKEL: If we find that we can fly them in, 80 percent of our job is done; we can win them over. But it's getting them in; it's getting Omaha or Nebraska on their radar.

SENATOR SCHIMEK: Right. Thank you for being with us today.

DANA MARKEL: Thank you.

SENATOR SCHIMEK: Are there other proponents?

ROGER JASNOCH: Good afternoon. My name is Roger Jasnoch, 1007 Second Avenue, Kearney, Nebraska, director of the Kearney's Visitors Bureau. Senator Schimek and other senators, we certainly want to thank Senator Beutler for introducing this bill and being a great friend of tourism. As he indicated, tourism is the third largest industry, generating \$2.8 billion in terms of revenue and generating over 43,000 jobs, and many of those jobs are in out-state Nebraska. I commend Senator Beutler for recognizing the Niobrara River and the Riverfront as being Nebraska treasures. We simply ask your support in adding one more attraction to this list, if you will. That attraction attracts over 160,000 people a year; paid attendance from over 40 countries; is built over one of America's busiest interstates; and certainly preserves the pioneer heritage that developed a diverse culture into a dynamic American heritage that we have today. And we certainly, as you suggested, Senator Beutler, maybe consider amending the bill to add the Great Platte River Archway Monument to this treasures list, if you will. As I travel around, I'm probably gone six weeks a year promoting Kearney, Nebraska, and the arch, in particular markets, like the motorcoach marketplace, the buses you see traveling up and down the interstate. Nationally, we have very good recognition. If you ask 100 operators nationally, probably 80 have either first-hand information or have tours already stopping at the arch, and so we hope you consider that. And certainly, as we promote Nebraska, because of that lack of funding, Nebraska doesn't necessarily have a negative image, we just

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don't have an image. And certainly, efforts in this part would help move that along to improve our stand nationally, and of course, that's what we're competing with, is the other states. With that, Senators, I'd be glad to answer any questions that you might have.

SENATOR SCHIMEK: Thank you very much for your testimony.

ROGER JASNOCH: Thank you.

SENATOR SCHIMEK: I don't see any other questions.

DOUG WASSUNG: My name is Doug Wassung, W-a-s-s-u-n-g. I represent the Nebraska Hotel and Motel Association. Chairman Schimek and members of the committee, my name is Doug Wassung. I'm here to appear today in support of LB 214, encouraging you to adopt the Nebraska Treasures Act. Over the years, the association has always supported additional funding for the enhancement of tourism in Nebraska. LB 214 would add \$500,000 per year to provide funding for enhancing tourism in the state. Currently, all tourism promotion and attraction enhancement is funded by state and local hotel/motel room taxes. We believe that funding from the general fund is a necessary component since tourism is the third largest employer in the industry in the state. Thank you for allowing me to testify, and if I can answer any more questions, I'd be glad to.

SENATOR SCHIMEK: Thank you very much. Are there questions? No. Thank you. Next proponent?

JACK CHELOHA: Good afternoon, Senator Schimek and members of the committee. My name is Jack Cheloha; that last name is spelled C-h-e-l-o-h-a. I'm the registered lobbyist for the city of Omaha, testifying in support of LB 214. I want to thank Senator Beutler for introducing this bill this session. I think it's appropriate to look at our third largest industry on behalf of city government. We look at tourism as a part of economic viability and it helps us to enhance our providing city services as we raise sales tax on products sold or other taxes that visitors to our community might bring to us. I think Senator Beutler realizes that. We'd like to think that it's appropriate to recognize Omaha's Riverfront as one of our treasures, as annually

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visitors from out of state pour into the city for various events, whether it's the zoo or the College World Series at Rosenblatt Stadium, or there are other things too, now, along the Riverfront. We've just added our convention center and arena recently. There's a National Park Service building there along the Riverfront, et cetera, I mean, Omaha's Riverfront has really changed dramatically in the last five years, and there's some old treasures that have been there a long time, but then there's also new treasures, and so I think it's appropriate to designate this whole area. Likewise, in terms of having the advisory council come from city government for the purposes of that seems to make sense too, as we have a feel for what's going on in our community, and likewise we can assist and maybe do joint projects that might be stimulated by this bill, you know, where we could be able to find other funding sources, if you will, to enhance it even more. So overall, I think this is a great bill, and we'd ask for your support to put it out to the full Legislature. Thank you very much.

SENATOR SCHIMEK: Thank you, Jack. Are there questions? Seeing none, thank you very much.

JACK CHELOHA: Thank you.

SENATOR SCHIMEK: Are there any other proponents? Seeing none, are there any who wish to speak in opposition to the bill? Any in a neutral capacity?

SHELLYN SANDS: (Exhibit 7) Good afternoon. My name is Shellyn Sands; that's S-h-e-l-l-y-n, last name S-a-n-d-s. I am here today representing the Nebraska Association of Convention and Visitors Bureaus. We are a statewide organization focusing on tourism. I am testifying in kind of a proponent/neutral position. We think that this is a great bill. We think that it's fabulous any time that the state can give more money to the tourism effort across the state. We are neutral today because we feel that there are some things that we would like to see changed, and the introducing senator did mention a few of those changes. First off, we believe that the two named treasures in the bill should be removed and we should open this up to a statewide competitive granting process, something similar to that, to where all the attractions across the state have the

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opportunity to be named a state treasure. We also feel that we would like the Legislature to make more than just a two-year commitment to the treasures. As a treasure, you're talking about something that's to last a lifetime. We would ultimately like the commitment to last a lifetime to help improve these and to promote these treasures across the state. Senator Beutler did mention an A bill that could be attached or is attached to appropriate funds in the future, so we certainly appreciate that. We also believe that Nebraska has a tremendous potential to have more than just five treasures. It's a large state and sitting here, you can think of several just in your area that could possibly be treasures, so we would like to have those limited numbers removed from the bill and allow for the Division of Travel and Tourism to determine, based on the focus groups, how many treasures there are. It would be best to let the folks who know, make that decision as to how many to allow. Other than that, we believe that maybe there needs to be some clarification on how the money is spent, whether that be promotional or for capital construction and things like that. But other than that, the bill is a great asset for the state. It could be an economic generator for this state and in the end will be a good bill.

SENATOR SCHIMEK: Thank you, Ms. Sands. Yes, Senator Mines.

SENATOR MINES: Thank you, Madam Chair. By expanding the number of treasures to 50, realizing there's a limited funding, does it not dilute the impact that Senator Beutler's bill might have?

SHELLYN SANDS: Well, and we're not suggesting that you expand it to 50. We're just saying, don't put a limit on it, because there may be seven.

SENATOR MINES: But shouldn't a treasure be very, very special?

SHELLYN SANDS: It should be.

SENATOR MINES: I can think of half a dozen treasures in my district,...

SHELLYN SANDS: Absolutely.

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SENATOR MINES: ...and they're treasures to me...

SHELLYN SANDS: To you, right.

SENATOR MINES: ...but they're not treasures in the true sense of the word.

SHELLYN SANDS: Absolutely. What we're suggesting is if you're going to have a focus group of Nebraska citizens, and nationally you're going to be having these focus groups, well, they may come up with six or seven; I don't think we're going to come up with 50. But they may come up with six or seven or ten. And those may be real true treasures, you know: the Omaha Riverfront, the Niobrara River, the cranes, the Sandhills, the Kearney arch. I'm from Beatrice, Homestead National Monument; Scottsbluff's National Monument. I mean, there are...

SENATOR MINES: Rosenblatt Stadium.

SHELLYN SANDS: Exactly. The zoo, Henry Doorly Zoo. I mean...

SENATOR MINES: Do you want me to keep going? My point is, there will be fist fights for this money.

SHELLYN SANDS: And I think that it should be a competitive process.

SENATOR MINES: And if we open it up completely, and I understand what Senator Beutler is doing, it's...you can't open this up to anybody that thinks they've got a great place to come see. It has to be very structured and...

SHELLYN SANDS: Absolutely.

SENATOR MINES: ...condensed. And my concern would be, if you open it up, it's...you might get a few thousand dollars per project,...

SHELLYN SANDS: Right.

SENATOR MINES: ...and that really doesn't do much.

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SHELLYN SANDS: And each project does need a substantial number of dollars for it to be a success.

SENATOR MINES: Yeah, that's my only concern.

SHELLYN SANDS: I can agree with that. We just worry that we might leave Rosenblatt Stadium out.

SENATOR MINES: Okay. Thanks.

SENATOR SCHIMEK: I just have one comment and that is, you're a positive neutral, and yet you're going to end up on the sheet that tells the whole Legislature who was for it and who was against it, and here's going to be the Convention and Visitors Bureau in a neutral position. But yet I hear you saying that you think it's a great idea.

SHELLYN SANDS: We would like to see changes to the bill.

SENATOR SCHIMEK: Well, I understand that.

SHELLYN SANDS: Substantial changes.

SENATOR SCHIMEK: And I'm not trying to get you to change what you said,...

SHELLYN SANDS: Right.

SENATOR SCHIMEK: ...but I think you're really a proponent, but be that as it may,

SHELLYN SANDS: Okay.

SENATOR SCHIMEK: ...it may, we'll put you down as a neutral.

SHELLYN SANDS: Okay.

SENATOR SCHIMEK: Lots of people come in here and testify in favor of something, but then they offer suggested amendments or suggestions (inaudible), so thank you.

SHELLYN SANDS: Sure. Okay.

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SENATOR SCHIMEK: Thank you.

SHELLYN SANDS: Thank you.

SENATOR SCHIMEK: Are there any others who wish to testify in either a negative neutral or a positive neutral? Seeing none, Senator Beutler to close.

SENATOR BEUTLER: I'm still very strongly for the bill, Senator. (Laugh) And I just...the comments of the last testifier should most certainly be taken into account. There are lots of things to consider in this. But I certainly hope you will go forward with the bill in one form or another, because this could be a tremendously interesting debate across our state, you know; figuring out what different peoples' ideas are about what is a great place and then getting input from other parts of the country as to what they think about Nebraska and what in Nebraska really has appeal to them. It would be a very, very interesting year for us as the department discovers...works its way through that. And besides that, I just wanted to let you know that Judy and I are going to be touring northwest Nebraska this summer. We're going to spend the Fourth of July out in the Rushville/Chadron area at Horse Cave Thief Ranch, and anybody that would like to join us is welcome.

SENATOR SCHIMEK: Senator Beutler, just a moment. Senator Mines has a question and then I have a...

SENATOR MINES: May I? Senator Beutler, the decision in your bill on the allocation of funds is with the Legislature. In order...do I understand that right?

SENATOR BEUTLER: The choosing of the sites would be initially recommended by the department, but the final decision would be made by the Legislature. Unless you change things then, as money is appropriated for these sites, the allocation as between the sites would be at the judgment of the Department of Economic Development,...

SENATOR MINES: Okay, good, because...

SENATOR BEUTLER: ...keeping some central, hopefully

Transcript Prepared by the Clerk of the Legislature
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objective focus to it.

SENATOR MINES: I think the last thing we want is a yearly debate on whose treasure is more important in the body for the allocation of monies.

SENATOR BEUTLER: No. No, no, no.

SENATOR MINES: Okay; I misread that. Thank you.

SENATOR BEUTLER: I don't want to do that. But...I did like the suggestion that was made and the amendment we put forward that suggests that at some point in time surely the case will be with regard to some of the initially chosen treasures, that they are in fact developed as much as they can be, and that money should be put into additional resources, additional sites. So I wouldn't be at all adverse to building in the flexibility.

SENATOR SCHIMEK: (Exhibit 8) Senator Beutler, before you go, I know you mentioned the Lincoln Chamber of Commerce, but I just wanted to read into the record that we did receive a letter from them. I didn't know if you'd mentioned that or not, but.

SENATOR BEUTLER: Thank you.

SENATOR SCHIMEK: Thank you. That is the conclusion of the hearing on LB 214, and that ends the hearings for today.